The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Incidents Create Most Serious Crisis —Japanese Want "Buffer" Zone

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China's Stake in Hainan Island . . . . . By C. Y. Hsieh

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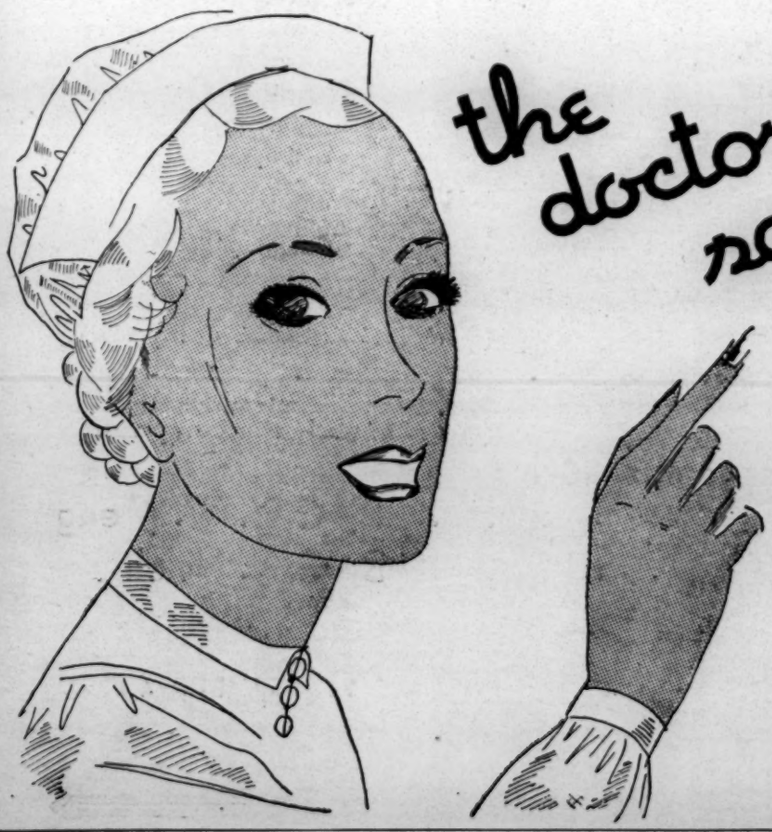

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

2 SUICIDES, 1 JAILED IN LATEST SHANGHAI-U. S. DOPE DEAL

AL Stey, resident of Shanghai of Alsatian nationality was the latest victim in the latest dope-smuggling escapade from Shanghai to the United States. Whether he was murdered or committed suicide by poisoning was not known when these lines were written; he was found unconscious on a vacant lot in the Shanghai French Concession and died shortly afterward in a local hospital. The other death, that of N. Loffelholz-Brandstetter, another resident of Shanghai of Polish nationality, occurred as the ship upon which he was a prisoner was nearing New York harbor. He committed suicide by hanging himself in his cabin. The third participant in the deal, victim of major actors in the nefarious trade, was a Chinese girl, Mari Wen, who previously had served as a nurse in the Paulun Hospital where Stey had been employed as business manager.

These tragedies, plus an earlier dope-smuggling escapade at San Francisco which landed two other Shanghai residents in a Federal penitentiary for long terms, serve to emphasize the precariousness of this clandestine trade. Also it is well to remember that there was a recent announcement of a further tightening of protective agencies along the U. S. Pacific coast.

As yet the most important element in the case of Mari Wen, arrested with U. S. $50,000 worth of heroin in her trunk as the ship upon which she was traveling entered Los Angeles harbor, has not been disclosed. We refer to the source of the heroin supplies, allegedly made in a factory located in a foreign concession at Shanghai.

The Mari Wen case and the previous Ezra smuggling at San Francisco undoubtedly will serve as subject matter for innumerable Sunday sermons wherein it will be pointed out that the "way of the transgressor is hard," and that "sin will find one out." But there is a much more significant element in these dope-smuggling incidents than the tragedies involved: the element which we have in mind is the increasing magnitude of production

of narcotic drugs in the Far East with steadily increasing attempts to smuggle the products into the United States—the world's best market due to high prices paid by addicts.

The League of Nations' narcotics division as well as private agencies have disclosed the rapid increase of opium production in certain parts of China despite the execution last year of nearly 1,000 dealers and addicts, but of more seriousness is the phenomenal increase of production of opium and manufacture of derivatives in territories over which fly the flag of Imperial Nippon. Attention was called sometime ago to the fact that Occidental military observers now regard the dope-traffic as a potent arm of Japanese aggression on the continent of Asia where the use of such drugs are more widespread than elsewhere in the world. Despite the most drastic punishment for dealers and users, it will require several decades of education to wipe out the habits of centuries in this country; hence, if Japan increases her production, it is inevitable that both clandestine production as well as trade will continue in China. The Japanese enforce anti-dope laws in their country so energetically that few Japanese have an opportunity to obtain the drug, but this does not deter the Japanese authorities, particularly the Kwantung army from fostering production and consumption among other Orientals in Japan's colonies of Korea and Formosa and the mandated islands of the South Pacific. One of the first acts of the Kwantung division of the Imperial Army following the occupation of China's northeastern provinces was the creation of the Manchukuo Opium monopoly which produces opium and manufactures derivatives on a large scale. Among the major motives for the control of Jehol and Suiyuan and territories further west is the desire of Japanese dope-dealers to control the profitable trade in so-called Turkish opium produced in Central Asia and transported by camel train across the Gobi desert to the Peiping-Suiyuan rail-head at Paotow, located in Suiyuan province on the northern bend of the Yellow River. The Japanese have two chief objectives in pushing the narcotics trade: First financial, sales both in Orient and abroad being cash transations running to large figures; second, the Japanese find opium and other narcotics an invaluable aid to their army in pacifying populations of conquered territories.

The interception of occasional consignments of Oriental narcotics on the Pacific coast is suggestive of the large quantities which undoubtedly escape detection and enter the country. For example a shipment reported to be valued at practically a half million American dollars which was manufactured in the Japanese port of Dairen and in the Japanese concession at Tientsin and shipped to the United States via Europe was never heard of again after it passed Shanghai; hence must have long since reached its destination on the Atlantic seaboard. According to reports current in this part of the world there are serious defects in certain of the American protective organs due to political influence and official jealousies which are largely responsible for inefficiencies in the administration.

But of primary importance for the American people and particularly for those members of peace organizations who advocate American isolation from the troubles of Asia even to the extent of giving Japan a free hand, is the rapid increase in production and manufacture of habit-forming drugs in the Far East. There was a time when American citizens, particularly religious organizations, took the lead in arousing international public opinion and bringing moral forces to bear on the problem. Since the imperial Japanese military forces have discovered the value of narcotics in their campaigns of conquest there is no reason to believe they will stop with the China market as widespread smuggling proves their designs on the valuable market on the other side of the Pacific. Members of peace societies who think the United States can escape complications by ignoring developments in the Far East and closing their eyes to the menace of Japanese aggression and expansion (and accompaying evils) over other defenceless peoples are likely to be awakened from their dreams with a shock that may jar them back into sanity.

Japanese Sailor Shot Dead in Shanghai Street —Two Others Wounded

Shortly after eight o'clock on the evening of Sept. 23 while a party of four or more Japanese sailors, dressed in their usual white costumes, were walking along Woosung Road, Shanghai, near the corner of Haining road, where there are several cheap cinema houses, a fusilade of eight or more shots rang out, with the result that first-class sailor Taminato, from the cruiser "Izumo," dropped dead with a bullet through his heart, and another bullet in his body. The shot, according to the Japanese official statement, entered from the back. Two others from the same Japanese cruiser were badly injured, namely, first-class sailor Yawata, shot in the upper arm, the bullet fracturing the bone and remaining lodged in the arm, and second-class sailor Deriba, shot in the upper right and left arms, the bullets piercing his arms. Following operations on the injured men their condition was stated to be satisfactory. Their lives are not in danger.

All sailors at liberty from the Japanese Special Naval Landing Party and the cruiser "Izumo" were immediately recalled to their quarters. One Chinese suspect was arrested and taken to the Chapoo Road branch of the Special Naval Landing Party for questioning.

The suspect and three Japanese civilian witnesses were taken to the Naval Landing party headquarters at 11 o'clock. Tanks, armored cars and motor trucks, loaded with marines, rolled out of the Japanese marine barracks at 11 o'clock to take up assigned defense positions. Japanese reservists accompanied every unit, to act as interpreters and guides.

Marines dispatched from Japan to strengthen the local force arrived the following morning aboard the special service ship "Muroto."

Rear-Admiral Eijiro Kondo, Commander of the Special Naval Landing Party, in a statement about an hour after the shooting said, "The Special Naval Landing Party will take armed measures for the protection of Japanese lives within and outside the Settlement, according to its own judgment."

Immediately after the shooting affray patrols of the Landing Party and the Shanghai Municipal Police were stationed at various points in the neighborhood, barring all traffic to and from the district where the crime occurred. A huge district has been roped off, and only Japanese armed with special permits, are allowed to enter it. Patrons at one of the cinema houses were not allowed to leave for almost two hours after the shooting occurred.

Gen. Chiang Must Now Face Japan on the North China and Manchurian Issues

GENERAL Chiang Kai Shek's phenomenal success in effecting political and financial unification of Nanking and Canton, has brought into fresh prominence the companion problems of Manchuria and North China which now must be faced by the united nation. The spontaneous observance throughout the nation of September 18, anniversary of the Japanese seizure of Mukden indicated that the Chinese people generally have not given up hope of recovering their lost territories, not to mention further opposition to Japan's attempt to grab North China's five provinces in addition. .

So far as the unification of Canton-Kwangsi and Nanking are concerned, General Chiang and the other officials involved have now done about all that is humanly possible. The final steps in the political and economic unification of these two sections of China must depend upon contacts in every field of human relations, all of which will be greatly stimulated from now on through the completion of the Canton-Hankow Railway establishing direct communication not only between Canton and the Yangtze Valley but also with Peiping. The rapidly expanding aviation services and extension of long distance telephones are further important factors in welding these two important sections of the country into a strong political and economic unit.

Unification of these two sections of the country has already had a stimulating effect upon the psychology of the Chinese people giving them renewed hope not only of saving their northern provinces from Japanese aggression, but even recovery of the lost Manchurian provinces, which have now been under Japanese military domination for a period of five years. It is well to remember that the Japanese occupation of Shantung Province during and following the World War lasted for a period of practically eight years and finally required international action for solution.

To consider the Manchurian situation first, the *North China Daily News*, regarded as the official British organ in China, on September 16th published an extensive editorial review of conditions in Manchuria under the heading of "Manchurian Bandits." The article said that no special knowledge was required to realize that the bandit scourge in Manchukuo is far from being overcome. Japanese and so-called Manchukuoan troops sent to round up bandits frequently end up in serious casualties for the supporters of law and order. While the Japanese have been moderately successful in limiting the area of banditry and somewhat decreasing the number of bandits involved, they actually accomplished little in lessening the number of outrages. While they may have done much to cure the evil of the "farmer bandit", they have aggravated the menace of the professional outlaw, which has become more serious than ever before.

The fact that banditry suppression is complicated by the critical international relations of Manchukuo with its big northern neighbor, Russian Siberia, was emphasized in the article stating that it has been necessary for Japan "for international reasons" to post a considerable portion of her officially claimed garrison, numbering 60,000, at strategic points. Had it been possible to use all of these troops as a mobile force scattered throughout the country, it might have been possible to eliminate banditry within a period of five years. Referring to recent bandit attacks, the *North China Daily News* called attention to the recent report published by the official *Domei* Service, pointing out the attack on a troop train on September 12th, eight kilometers west of Muling on the eastern branch of the former Chinese Eastern Railway leading to Pogranichnya and Vladivostok. The report published here stated that 25 Japanese officers and men were killed and 65 wounded; but the reports published in the Tokyo newspapers stated that the casualties were considerably larger. It was significant that this particular bandit gang, numbering 250, was made up of Chinese and Koreans, this being the first official mention of Korean participation in such activities.

JAPAN'S "CONCRETE" PROGRAM IN NORTH CHINA

According to a *Reuter* dispatch from Tokyo, dated Sept. 21, the Japanese Foreign Office, in cooperation with the War and Navy offices has adopted a "concrete" policy toward China. The newspaper *Yomiuri Shimbun* said the policy would embrace the following:

1.—The creation of a buffer zone, comprising Hopei, Chahar, Shantung, Shansi and Suiyuan, in which the Nanking Government will retain territorial suzerainty but will transfer all other rights and obligations, including the appointment and dismissal of officials, taxation rights and military control, to the local self-governing regime.

2.—The utilization of the present opportunity for a summary settlement of the vexed question of Sino-Japanese communication contacts, notably aviation

3.—China carrying out a fundamental revision of tariffs imposed against Japanese goods since the Mukden incident.

4.—China employing as many Japanese advisers as possible.

This map, drawn by a correspondent for *The Review* at Tientsin, indicates Japan's program in Inner-Mongolia, now in process of consummation through the "Manchukuo-fostered" drive from Chahar into Suiyuan. Further information, together with another map of North China indicating Japan's railway program in the five northern provinces of China proper, are included in another article appearing in this issue. Together they indicate part of the problem facing united China.

In addition to this incident the Tokyo *Nichi Nichi* reported that on September 13th there was another attack in the same vicinity by 350 bandits, who fired on another Japanese troop train killing five soldiers including a lieutenant and wounding ten others.

As pointed out by the *North China Daily News* article, these incidents occurred on the eastern branch of former Chinese Eastern Railway. This is heavily forested mountainous country located in the hinterland of the Russian Far Eastern port of Vladivostok, but it was not suggested that the Russians had a hand in the banditry. This section of Manchukuo is largely populated by Koreans who have been forced out of their country since the Japanese occupation, hence are strongly nationalistic and anti-Japanese. It is, therefore, quite obvious that the Japanese use of the word, "bandit", in the news report does not tell the whole story, because there is a political element behind these incidents, indicative of the critical nature of real conditions in the Japanese-protected state of Manchukuo.

In concluding its discussion the *North China Daily News* referred to the heavy losses which Japanese troops have suffered since the original invasion of China's northeastern territory. According to estimates made by the Japanese press, there were 251 fatalities, killed or from disease, in 1931 with 2,871 casualties, wounded and sick. In 1932 the figure was considerably higher, the fatalities numbering 1,699 and the casualties, 31,736. In 1933 the figure was still higher, being 1,133 fatalities and 42,149 casualties. These casualties largely resulted from battles with General Ma Chan-shan's volunteers or troops formerly under the general command of Marshal Chang Hsuieh-liang, the last Chinese administrator in the country prior to the Japanese occupation. Continuing the casualty records, the figures for

1934 were 419 killed and 39,874 casualties. Last year or 1935 the number of Japanese officers and soldiers killed was increased to 698, while the casualties including wounded and hospital cases numbered 54,766. Therefore, if we accept the official Japanese figure that only 60,000 Japanese troops are in the territory, the foregoing casualty figures are appalling, indicating that Manchukuo is probably the most dangerous place in the world for Japanese even though they are fully armed and equipped with the most modern implements of war including aviation and poison gas. The account in the British paper stated however, that Japanese official military figures issued in Tokyo gave last year's casualties at 946, but did not include deaths among the police or in Japanese or White Russian communities.

The recent reports of wholesale executions of alleged Russian spies probably indicate that the alliance which previously existed between the Japanese Army and the White Russian Cossack emigres has ended. Although the Japanese claimed the Russians executed were "Red spies", other reports indicated they were White Russian Cossack settlers from the so-called "Three-River District", located to the north of Hailar on the western branch of the former Chinese-Eastern Railway, only a short distance from the Siberian border at Manchouli.

The so-called "Three-River District" is quite similar to the dairying areas of Minnesota and Wisconsin in the United States. Aside from the Chinese settlers who have established themselves all along the border, White Russian Cossacks for many years, even preceding the Russian Revolution, had moved across the Amur river and established homes in Chinese territory. The expulsion of the Trans-Baikal Cossacks from Outer Mongolia and Siberia by the Bolsheviks greatly increased these White Russian communities. Now we are informed by those who are familiar with the situation in Manchuria that the Japanese are trying to drive the White Russians out of this territory, in order that their lands can be occupied by Japanese immigrants, who are to be brought into the country in large numbers immediately. Since previous Japanese attempts to found immigrant colonies in Manchuria have failed, it is obvious that this latest grandiose and highly expensive colonization project will likewise fail.

Although Chinese reports dealing with this situation are prejudiced, they do have the most accurate information regarding developments in their former territories. A recent article by Chang Chi-shing published in the *China Critic* went as far back as 1915, when the Japanese sent twenty families to settle in Kwantung Leased Territory of South Manchuria, controlled completely by the Japanese Army. Since that time numerous attempts have been made but despite Japanese influence and so-called "special rights" in Manchuria since the Russo-Japanese War, they only had about 200,000 people in all Manchuria in 1930, the year preceding the occupation. The occupation of the territory by the Japanese Army was immediately followed by a great influx of Japanese civilians but a considerable portion of these immigrants was made up of people collected by reservist organizations in the various Japanese prefectures; hence if they were not actual adventurers of the near-criminal type, they were people whom the various local authorities in Japan wanted to get rid of. After transference to Manchuria they either became bandits or a charge on the Japanese communities. Most of the Japanese in Manchuria, even before the occupation, were concentrated along the railways and in the towns, and depended largely upon the railway for a living. There were only 3,000 Japanese in the interior of the country in 1931.

While the Japanese have spent enormous sums in the development of industries and railways, most of which are of a military nature, since the occupation five years ago this investment apparently has not improved political conditions or made the population, estimated at 35,000,000, any more amenable to Japanese rule. An indication of the situation at Harbin was provided in another report in the *North China Daily News* on September 18th, stating that the Japanese execution of White Russians, arrest of Soviet citizens and monopolization of Harbin industries and commercial affairs generally had resulted in a general exodus of both Russians and Chinese. The White Russians, who were told that the Japanese purpose was to restore the old Russian Empire, now realize that they were mistaken and that they are no longer wanted by the Japanese. Further reports from neutral sources in Mukden indicated the Japanese Army's apprehension at the drift of affairs, hence the officials were following the usual procedure of tightening the official news monopoly. The report stated that a new "Manchurian Public Information Association" had been founded by imperial decree, designed for the purpose of "promoting the sound development and handling of news." The new organization will not only manage the official Manchukuo News Agency (known as "Kokutsu"), controlled by the Japanese Army, but will also control all magazines and newspapers. The character of the organization was indicated by the fact that it is headed by an Army officer, Lieutenant General Y. Takayanagi, who until recently was president of the *Manchuria Daily News*, official organ of the South Manchurian Railway published in the English language at Dairen. It was stated that the new official news monopoly would also control

newspapers printed in the Russian language at Harbin.

It also was stated that all foreign newspapers entering Manchuria are now strictly censored. American and European residents of Mukden receiving newspapers from Japan, China or their home countries frequently are unable to read them, because all the important news has been cut out by some censor. There was an amusing angle: a consignment of Bibles printed in Shanghai by a famous Bible Society was condemned because at the foot of the title page was a statement that they were printed in the Chinese Mandarin language, understood by a majority of the residents of Manchuria, which actually is the official language of the country, designated by the Japanese as "Manchu."

NORTH CHINA ALSO CRITICAL

It is unnecessary to call attention to the extent of Japanese aggression in North China which is a continuing process from day to day and seemingly as relentless as an avalanche or plague epidemic. The Japanese objectives in North China, according to an article by John B. Appleton in the Sept. number of *Asia* magazine are threefold:

1. To insure adequate supplies of those commodities essential to Japan's industrial needs and economic security.

2. To increase her export trade by stimulating purchasing power of the 129,000,000 people included in the regions the Japanese Army has staked out for control.

3. To create an effective base of operations for eventual armed conflict with Soviet Russia.

The Japanese program in North China is too extensive to be covered fully in this article. It involves not only railway construction and the development of mines and industries, all considered necessary for future prosperity of Japan, but also includes vast agricultural projects, among which is cotton, the Japanese Army desiring to make Japan independent of purchases of American cotton. It was pointed out that, although the Japanese already control 90% of China's known iron resources, they are still striving to increase that percentage. Mr. Appleton also called attention to the fact that Japan's present drive into Suiyuan Province has two objectives: one, the exploitation of vast coal resources in Chahar and Suiyuan Provinces computed at 500,000,000 tons; the other objective being the use of Suiyuan as a stepping-stone for the eventual military occupation of Shansi province to the south and the development of potential oil fields in that province. Owing to the mountainous nature of the border between Shansi and Hopei, the easiest way to conquer Shansi militarily is through military control of the Peiping-Suiyuan Railroad, which provides access to northern Shansi. Since the Japanese only obtain about 10% of their oil needs from their own territory, Manchuria and from Russian Sakhalin, they are desperately trying to obtain oil from North China, and since the only known resources in all China are in Shansi Province, this provides an added incentive for Japanese military control of that area.

Mr. Appleton said, "Pronouncements in Tokyo have made it clear that Japan plans to coordinate North China's development with her own, so as to prevent competitive development. One of the conditions of the proposed economic bloc between North China, Japan and Manchukuo would involve a revision of the existing Chinese tariff, so as to give Japan preferential treatment for her own and Manchukuoan products. The main function of North China, according to Japanese Army officers will be to supply minerals and agricultural products, principally cotton and wool required by Japanese industry . . . . The penetration and political domination of North China is a logical development of Japan's continental policy, and the same motives that lay behind the establishment of her political control over the Manchurian Provinces provides the excuse for an extension of her political and military machine to adjacent regions. The reasons in the minds of Japan's War-lords are sufficiently powerful to justify any steps that have been or are to be taken. While most of the Japanese schemes for economic exploitation and for the assertion of political control are only in their preliminary stages, they indicate the direction which the Japanese will take in moving toward their goal."

Chinese generally realize the connection between Japanese smuggling and Japan's demand for reduction of Chinese tariff duties. China's inability to prevent Japanese smuggling means that the Japanese have already forcibly put their new tariff into effect in North China. This means that Japanese merchandise now actually receives preferential treatment, paying an average of 11 to 12 percent advalorem while imports into North China from other countries must pay the regular Chinese customs duty which averages around 30 percent. Thus Japan has accomplished, by smugglers protected by the Kwantung Army, one of the most fundamental of her objectives in this country. The officials of the National Government at Nanking are obviously aware of this situation and what it means for the rest of the country as Japanese merchandise smuggled into North China will eventually permeate the whole country. The presence of smuggled Japanese goods in the shops of far interior Chengtu was one of the causes of the Chengtu incident.

This brings us to the pending negotiations between Ambassador Shigero Kawagoe and General Chiang Kai Shek on the subject of Sino-Japanese "economic cooperation", scheduled to begin immediately upon the return of the Chinese leader

from Canton. If the cooperation were conceived in terms of equality and mutual good faith, it might be an excellent program for North China, which up to the present has done little to develop its resources; but Japanese activities in Manchukuo, as indicated in Mr. Appleton's article, "provided abundant evidence that effective economic reconstruction under the direction of the Japanese Army creates unquestioned benefits, but all of them accrue to Japan rather than to China."

Abyssinian Emperor Sympathetically Received at Geneva—Britain Stiffens Attitude

THE sessions of the Assembly of the League of Nations at Geneva, the first of which took place Sept. 21, promise to be rather stormy. Haile Selassie may be an Emperor without a throne, but he has made it quite evident that he does not intend to let any one think that he is a man without a country, and has taken a line of action which rather puts the League "on the spot." The pusillanimous attitude of the League at the time of the Japanese capture of Mukden five years ago and the later assault on Shanghai has risen as a sort of wraith to plague it, although it is to be noted that the League to-day is not quite the spineless organism that it was when Sir John Simon, former British Foreign Minister, gave it its cue. The fact that the criticisms of former U. S. Secretary Stimson on the shillyshallying policy of Sir John Simon is being favorably received in many quarters in England sheds a ray of hope that the League may in future adopt a somewhat stiffer attitude, for it must never be forgotten that hardly any move of the League is possible without the support of the British. In fact the League has already bucked up a bit. The Negus arrived by air from England in Geneva Sept. 21. He received an enthusiastic welcome from a huge crowd, which included hundreds of journalists and photographers and 50 policemen. The Negus made the visit for the purpose of giving his personal support to the claim of the Abyssinian delegation for representation on the Assembly. An animated debate took place on the question of whether Abyssinia should be allowed to have its representative sit at the Assembly sessions. Eventually the Credentials Committee decided to refer the question of Abyssinian representation to the Permanent Court of International Justice at the Hague. It also appointed a sub-committee of jurists to decide whether the Abyssinians should continue to sit on the Assembly pending the decision of the Court. These decisions, it seems, are regarded in Rome as a deliberate rebuff to Italy's reconciliation with the League, and foreshadow that Italy will not send a delegation to Geneva. The London *News Chronicle* stated that it was the influence of the smaller nations that was responsible for the support which has been given, at least for the time being, to the Negus, who insists that only one-third of Abyssinia has so far been brought under the control of Italy. It may not be without significance that the rebuff to Italy, slight as it was, coincided with a statement issued in London Sept. 22, by Sir Samuel Hoare, First Lord of the Admiralty, that "Far from any question of Britain abdicating her position in the Mediterranean or scuttling Malta, we intend to face the new, difficult problems which have arisen and make our position quite secure in the future."

The British attitude generally toward dictatorial governments has strengthened considerably in recent weeks. The Executive Committee of the British Labor Party Sept. 18, made the rather sensational decision to give up opposition to the Government's rearmament program and two days previously the national Council of the Liberal Party passed a resolution denouncing the growing power of totalitarian or dictatorship regimes in Europe as a menace to world peace. Telegrams from London also stated that British circles were not unduly perturbed by Herr Hitler's recent denunication of Bolshevism at the Nurebmerg Congress, which, it is felt, was designed principally for home consumption. Incidentally it may be noted that a *United Press* message from Moscow Sept. 16, stated that the Soviet Government was rushing the completion of two military highways leading directly toward the border of Poland, to meet what the press describes as an imminent threat of war in the west. Thousands of convicts are laboring in 24-hour shifts on the highways with floodlights burning throughout the night to permit them to work at top speed.

Whether or not the League will in the end survive the repercussions from the civil war in Spain, not to omit the increasing disorders in Palestine from one's calculations, remains to be seen. There is no gainsaying the fact that the net result of the contest in Spain so far has been that the rebel party (which is the reactionary party) has been gaining ground. That, however, has not restrained the Anarchists and Left Wing faction of the Government in Madrid from demanding a federation of peasants and workers with the object of establishing a government similar to that which exists in Soviet Russia. Maqueda, 60 miles from Madrid and described as the key to the capital, has been taken by the insurgents, according to an official communique issued in Burgos, Sept. 22, by the rebel Junta. The Government

forces at Maqueda are said to have been under the personal command of President Azana. The loyalists fortified their positions with concrete trenches and three-line barbed-wire entanglements, but the three-day onslaught of the insurgents completely demoralized the defenders of the city. The Portuguese Foreign Minister, Senhor Monteiro at Geneva, Sept. 21, issued a statement in the *Journal de Genéve* in which he declared that the victory of Communism or anarchy in Spain would mean war for Portugal. The Lisbon government must, therefore, defend Portugal's national independence at all costs and maintan the western civilization, as well as law and order, he said.

The possibility of Germany and Japan seeking an "anti-Bolshevik" front was being discussed in diplomatic circles in Berlin this week in connection with the forthcoming return of Dr. Herbert von Dircken, the German Ambassador to Tokyo, a *Reuter* message from Berlin Sept. 19, stated. It is not believed that there will be any question of a military pact, but the hope would rather be that a general front against Bolshevism might be built up in the world, led by Germany and Japan, and supported by Britain, France and Italy. If Japan shares the German view of the Russian problem it is suggested that Germany might find it convenient to give formal diplomatic recognition to Manchukuo.

The increasing seriousness of the situation in Palestine was discussed at a Cabinet committee meeting in London Sept. 22, on which date an additional complement of 1,500 British troops departed from Southampton for Palestine, where outtrages of various description, such as bomb throwing, sniping of troops and wrecking of trains, are matters of daily occurrence. All railway lines in Palestine have been put under the control of the military forces and for the time being at least are being used almost exclusively as troop transports. Extensive precautions have been taken everywhere to prevent attacks being made on trains by Arab insurgents. The British headquarters are at Jerusalem, where two infantry brigades are stationed. Four further brigades are garrisoned at Jaffa, Nazareth, Haifa and Nablus, as well as the surrounding districts, while two infantry battalions are being employed to guard the railway lines.

One of the matters to come before the League is the question of the election of China to a seat on the Council. A telegram from Geneva Sept. 17 stated that the Nanking Government made suggestions for a drastic reinforcement of the League Convenant. Among China's suggestions are that measures should be taken to designate quickly and accurately an aggressor, to enforce automatic sanctions against any power so designated, and to strengthen provisions for the prevention of war.

The Chinese Government also suggests the appointing of a permanent committee of experts that would establish rules with a view to making sanctions "automatic, immediate, and complete."

Nipponese Policeman Found Shot Dead in Japanese Concession

BY THE REVIEW'S HANKOW CORRESPONDENT

TEIJIRO YOSHIOKA, a Japanese constable, was found shot dead on point duty in the Japanese Concession, in the extreme eastern end of the Concession, near the Socony Installation No. 1 and The Bund, Saturday morning, Sept. 19, about 11.30. The exact scene of the crime has not been located as yet. The dead body of the constable was quickly removed by the Japanese authorities to Tung Ren Hwei Hankow Hospital at 3 p.m. The Japanese authorities unofficially assert that the deceased was shot by a Chinese assailant, who approached the policeman on a slow-moving truck, getting off just behind him, firing two shots at close range and then making a get-away in the said truck.

Two Chinese peddlers said to have been near the scene when the incident happened have been detained by the Japnaese and Chinese authorities. Several arrests were made by the Japanese police in the Japanese Concession on Saturday, the day of the tragedy.

Japanese Refuse Chinese Authorities to See Body

As soon as the Mayor of Hankow Municipality, Dr. K. C. Wu, got word of the incident he telephoned the Japanese Consul General, Mr. Miura, and expressed his sympathy and condolence. Several officers of the Bureau of Public Safety also brought a message of condolence from Colonel Chen Hsi-teng, Director of the Bureau. The Chinese offered to cooperate with the Japanese in investigating the crime and in seeking to apprehend any who might be found connected with it. To date the Japanese have not allowed the Chinese authorities to see the body of the dead policeman.

Mayor Wu Doing All in His Power to Assist

In an interview, the Mayor of Hankow, Dr. K. C. Wu, stated that he was doing everything possible to settle the issue and had offered to cooperate with the Japanese authorities in every way. He did not think that the event would have serious consequences since the incident apparently took place on Japanese-controlled territory, if not in the Japanese Concession. The piece of land extending from the Japanese Concession proper northward is really a part of the Japanese leased territory, although the Japanese have not policed the said area. But on the other hand when the Chinese authorities have asserted their intention of establishing police protection over the said area the Japanese authorities have hitherto protested.

The Atmosphere Eases Somewhat

At first it was thought that the Japanese would have an easy time of proving the crime to have been committed by a Chinese. However, up until Monday evening, Sept. 21, the chief actor in the killing remains a secret as yet unravelled. Many rumors were afloat on Sunday to the effect that it might have been a case of suicide. The fact that there allegedly was burned skin and that the shot which lodged in his skull behind the left ear also left powder marks and singed hair, would point in this direction. The Japanese version of the story is to the effect that a Chinese about forty years of age fired two shots and one taking effect, and escaping in the truck in which he had arrived on the scene.

Japanese Conduct an Examination

On the very spot where the dead body was found, the Japanese authorities on Sunday, Sept. 20, conducted an examination of some twenty witnesses, said to have been near the scene of the crime on The Bund on Saturday, the day before, although no actual eyewitnesses have been rounded up. The Chinese peddlers are said to have confessed to the Japanese authorities in front of the Chinese authorities, that the Japanese policeman, Mr. Yoshioka, was murdered not in the Japanese Concession and that the body was taken from Chinese territory and dragged to the policeman's place of duty after the crime had been perpetrated.

Chinese Insist That Incident Took Place in Japanese Concession

It has been firmly established that the dead body was found in the Japanese Concession. The Chinese authorities insist that it is extremely unlikely that the peddlers handled the dead body of the Japanese. Why should they do it? What would they gain by it? They would have everything to lose should they have been caught in the act of dragging him around. How could they have escaped being seen at 11.30 a.m., especially since it took place along The Bund and not in any corner or side street?

Hankow, Sept. 21, 1936.

Japanese Consular Policeman Shot Dead at Hankow —Japanese Sailor Murdered in Shanghai

(See page 110 for details of murder of Japanese sailor in Shanghai Sept. 23)

OMINOUS news came from Tokyo Sept. 21 when it was announced that the Emperor had given his sanction to a request by the Ministry of the Navy to rush additional units to China to reinforce the Naval Landing Party. The new units, it was intimated, are considered necessary in consequence of the decision of the Japanese naval authorities to maintain a permanent landing party at Hankow following the murder of a Japanese consular policeman there end of last week. A party of marines left Shanghai for Hankow in two destroyers, but it was stated they are to be withdrawn when the reinforcements from Japan arrive. The move was explained in a communique issued by the Tokyo Ministry of the Navy Sept. 21. After enumerating seven recent anti-Japanese incidents in China, the communique declared that anti-Japanese terrorism is becoming rampant throughout China. The Chinese authorities, it added, have procrastinated over the taking of effective and appropriate measures to assist the investigation of the Pakhoi incident. "The situation to-day does not warrant Japan placing implicit confidence in the ability of the Chinese authorities to eradicate anti-Japanese outrages; the Japanese Navy may be compelled to take necessary measures of self-defence. Therefore," the communique stated, "the Naval authorities have decided to organize a special Naval Landing Party and dispatch it to China to reinforce the units of the Third Fleet now stationed there.

Although he described the Sino-Japanese situation as being "generally grave," a spokesman of the Foreign Office, interviewed by correspondent in Tokyo Sept. 21, said that forecasts in the press concerning possible Japanese demands to China were "mostly based on imaginativeness." The spokesman declined to confirm or deny reports about the possible creation of a buffer zone in North China, declaring that this was a delicate question which had been under discussion between China and Japan for the past two years. Meanwhile the Foreign Minister, Mr. Arita, the Minister of the Navy, Admiral Nagano, and the Minister of War, General Count Terauchi, met to discuss the concrete policy in connection with the China situation drawn up at a five-hour conference between officials of the Foreign Office.

The Yoshioka assassination at Hankow has further stiffened the Government's attitude towards China, the *Tokyo Asahi* reported Sept. 21. Decision to urge the Chinese authorities to reconsider their policy and to enter into negotiations with Japan for a fundamental readjustment of Sino-Japanese relationships has been reached by the Japanese Government, the journal stated. Gaimusho officials, according to the *Asahi*, hold that the anti-Japanese agitation in China will ultimately prove damaging to China's own interests.

Japanese Analyze Anti-Nippon Movement

Analysing the anti-Japanese movement in China, the Shanghai correspondent of the *Asahi* divided it into the following three categories:

1.—The anti-Japanese front organized by the intelligentsia of the urban regions;

2.—A manifestation of the movement against Gen. Chiang Kai-shek, President of the Executive Yuan;

3.—A manifestation of the anti-Japanese movement sponsored by the Kuomintang and other organizations, apparently supporting General Chiang.

The correspondent declared that the present outbreak of the anti-Japanese feeling is "nothing but a fruit of years of systematic, organized efforts made by the Chinese Government to foster anti-Japanese sentiment and to propagate anti-Japanese education." The Nanking Government, he added, "is reaping what it sowed." The movement, he emphasized, is now entirely out of the Government's control.

Japanese Navy Wants "Definite Answers"

Speaking on behalf of the Imperial Navy, Rear-Admiral Soemu Toyoda, director of the Naval Affairs Bureau of the Admiralty, asked the Tokyo Foreign Office to obtain definite answers from the Nanking government on two points. These were:

1.—Is the Chinese Government prepared to guarantee the lives and property of all Japanese lawfully residing in China, and

2.—Is the Chinese government prepared to oust the 19th Route Army from Pakhoi? If so, when?

This request for diplomatic action was made on Kazue Kuwajima, director of the East Asiatic Bureau of the Gaimusho, at a one-hour conference when Rear-Admiral Toyoda conveyed to the Foreign Ministry official the Navy's views on the situation in China.

In the opinion of naval officers, *Domei* stated, the time had come for definite action to protect the lives of Japanese in China unless the Nanking government takes "its responsibilities more seriously." The repeated anti-Japanese outbreaks were attributed by these circles to the failure of the Nanking authorities to carry out their pledges for a suppression of agitation and propaganda directed against Japan.

A message from Tokyo Sept. 16 stated that Major-Gen. Isogai, who last year served as military attache to the Embassy in China, had reportedly informed Mr. Kuwajima that in the Army's opinion the situation demands firm steps. If no action is taken now, he is said to have told the Gaimusho official, the dignity of the Empire will be impaired and the current developments will work to harass Japan in the future.

Nineteenth Army Evacuates Pakhoi

Evacuation of Pakhoi by the Nineteenth Route Army early on the morning of Sept. 22 was reported to the Tokyo Foreign Office by Japanese officials stationed in Canton.

The 19th Route Army troops under the command of Gen. Oong Chao-yuan in Pakhoi started to withdraw by two routes to Lienkiang and Linshan Sept. 16, a Hongkong message to the *Ta Kung Pao* stated, Sept. 17.

Three divisions under the command of Gen. Yu Han-mou, Pacification Commissioner for Kwangtung, left Maoming and Minghwa on the night of Sept. 18 and converged upon Pakhoi and Limkong with orders to eject recalcitrant Nineteenth Route Army units from southern Kwangtung, a *Domei* message from Canton Sept. 19 stated.

Withdrawal of the 19th Route Army units from Pakhoi was proceeding as ordered, according to a report received at the Nanking Ministry of Foreign Affairs from Dr. Philip K. C. Tyau, Special Commissioner of Foreign Affairs for Kwangtung and Kwangsi Sept. 19.

Anti-Japanese Campaign Staged at Pakhoi Before Slaying

Violent anti-Japanese demonstrations were being staged daily in Pakhoi, south Kwangtung, in the week preceding the mob murder there of Nakano, newspaper clippings received in Tokyo Sept. 16 by the Foreign Office from Kosaku Mizusawa, Japanese Consul-General in Hongkong, showed, according to a *Domei* message from Tokyo.

Li Tsung-jen Says Reorganization of Kwangsi Army to Follow Nanking's Instructions

Assurance that the Kwangsi army will be reorganized along lines and according to the quota as set down by the Central Government was given by Gen. Li Tsung-jen, Pacification Commissioner for Kwangsi, in an interview with the *Central News Agency* at Nanning Sept. 16.

Japanese Army Not to Hesitate to Use Force in China

The Army will not hesitate to employ force in "self-defense" in China, a high military officer in Tokyo told *Domei* Sept. 22. Meanwhile, he added, the Army is "standing-by", awaiting the results of steps taken by officers stationed in China. If Gen. Chiang Kai-shek actually wields influence over the Kuomintang, he might be in a position to suppress the anti-Japanese movement, thus putting an end to "lamentable tragedies, involving Japanese lives," the officer went on. The recurrence of the incidents, he declared, "forces us to believe that the Nationalist Government, headed by Gen. Chiang, lacks power to exercise its authority over China." The Japanese Army, he asserted, "can no longer place reliance on Nanking's utterances, and in view of the unprecedented danger threatening the lives of Japanese residents in China, it will not hesitate to employ force in self-defense."

Chinese Journal Says Incidents Are Natural Consequences

Commenting on the Chengtu and Pakhoi incidents, an article appearing in the *Tung Shuh Wen Hwa* (Common Culture), of September 15 said: "The Chengtu and Pakhoi incidents are not mere actions of the Chinese mob, but the natural consequences of Japanese aggression upon China. Should Japan not have encroached upon China, neither permitted her people to conduct the smuggling trade in China, nor demanded the reopening of the Japanese Consulate in Chengtu, nor created troubles in Pakhoi, the Chengtu and Pakhoi incident would not have occurred. Both the Chinese and Japanese people should look into these two events from this viewpoint, and should not exaggerate the tenseness of the situation by mere passions and emotions."

A Japanese message from Hongkong Sept. 15 stated that the Fourth Route Army will be rechristened the Fifth Route Army, and will consist of five divisions, three of which will be placed under the command of Kwangsi officers and two under commanders to be selected from the officers of the 19th Route Army.

General Huang Mu-sung, Governor of Kwangtung, has been appointed Commander of the Kwangtung Peace Preservation Corps.

A message from Nanning Sept. 16 stated that as a result of arrangements between General Cheng Chien, Chief of the General Staff, and Generals Li Tsung-jen and Pai Chung-hsi, the two Kwangsi leaders, the Kwangsi troops and the 19th Route Army under General Tsai Ting-kai will be reorganized into 8 divisions with Lieut.-Generals Ho Wei-chen, Wang Tsan-pin, Chou Tsu-kuang, Su Tsu-hsing, Tan Lien-fang, Ou Shou-nien, Neng Chao-yuan (Ong Chao-huan) and Chiu Chao-shen as Divisional Commanders. General Tsai will be made Vice-Commander-in-Chief of the 5th Route Army, of which General Li Tsung-jen is Commander-in-Chief. The 25 Independent Regiments newly organized by the Kwangsi leaders will be disbanded.

The Nanking City Tangpu Sept. 18 telegraphed to General Chiang Kai-shek, President of the Executive Yuan, offering its felicitations for his success in effecting national unity through peaceful means.

Second Interview Between Kawagoe and Chang Chun

It was reported in a Nanking message to the *Shanghai Mainichi* Sept. 17 that Ambassador Kawagoe, in a second interview with the Chinese Foreign Minister, Chang Chun, Sept. 16, declared that the Chinese National Government had been most insincere in delaying the investigation of the Pakhoi incident, and that the Japanese authorities would decide to display substantial forces for self-defence, should the 19th Route Army decline to withdraw for the purpose of preventing the investigation. He further stated that the Chinese National Government was expected to take effective measures in coping with the situation, otherwise the Japanese authorities would decidedly adopt a much stiffer policy towards China. The Chinese National Government, he again contended, was strongly advised to start a punitive expedition against the 19th Route Army in Pakhoi, should the 19th Route Army decline to retreat. In his reply, Chang Chun stated that the Chinese authorities had engaged in the work of effecting the withdrawal of the 19th Route Army from Pakhoi, and that the situation, as viewed from the attitude of the Japanese naval authorities was quite critical.

Commenting on the opening of negotiations in Nanking between Mr. Kawagoe, Japanese Ambassador to China, and Gen. Chang Chun, Minister of Foreign Affairs, the *Shun Pao* in an editorial Sept. 16 said: "The negotiations must be conducted sincerely. By sincerity, we mean that everything must be considered in the light of equality and mutual interest. For the readjustment of Sino-Japanese relations, the Japanese authorities must give up their traditional aggressive policy."

A Nanking message to the Tokyo *Nichi Nichi* Sept. 13 stated the negotiations will be aimed at rectifying the anti-Japanese attitude of the National Government, which is considered to be a fundamental solution of the incidents. "In order to effect such a solution, China should make positive moves for settling the various pending issues, regulating diplomatic relations and turning the anti-Japanese atmosphere into something clear and bright, it is thought, and this is the pre-requisite condition for settling the incidents. Between this standpoint and the view of the Chinese laying the greatest emphasis on the settlement of the incidents themselves, there is a serious discrepancy and an agreement on this point is necessary."

"Nippo" Expects Stronger Anti-Nipponism

Belief that the settlement of the dispute between Kwangsi and Nanking would result in the strengthening of anti-Japanese elements within the Kuomintang was voiced by the *Shanghai Nippo* Sept. 18. One of the terms of the compromise agreement between the Kwangsi warlords and Gen. Chiang Kai-shek, President of the Executive Yuan, the *Nippo* asserted, provided for a revival of anti-Nipponism. Although Gen. Chiang has been obliged to make serious concessions to his rivals, the conflict may be regarded as having been won by Gen. Chiang, the journal said, since he is already in control of Kwangtung and is in a position to dominate Kwangsi with the passage of time, the *Nippo* commented.

Japan Dissatisfied With Chiang's Attitude to 19th Army

Severe criticism of Gen. Chiang Kai-shek for his alleged hesitancy in dealing with the 19th Route Army was voiced Sept. 16 in an editorial appearing in the *Shanghai Nippo*. "Although Gen. Chiang is a real dictator," the paper declared, "he will not take a determined stand against the 19th Route Army, and its anti-Japanese activities. This fact proves that Gen. Chiang is not at all perturbed by the killing of a Japanese subject in Pakhoi."

The *Shanghai Mainichi* Sept. 16 commented:—"Why should Chiang Kai-shek attempt to come to a compromise with the anti-Japanese 19th Route Army so that the investigators of both countries concerning the Pakhoi incident be delayed in carrying out their missions? Chiang Kai-shek swore to Mr. Ariyoshi, former Japanese Ambassador, sometime ago that he had realized the absolute necessity of Sino-Japanese cooperation, and that he would endeavor to put it into effect. With such an attitude, he should start a punitive expedition against the 19th Route Army, which has stood in the way of the investigation of the Pakhoi incident by both Chinese and Japanese representatives. So far as military strength is concerned, Chiang Kai-shek's army is much superior to that of the 19th Route Army. Realizing the importance of the Pakhoi incident, Chiang Kai-shek is still lacking in sincerity in dealing with the existing situation. "Viewing the attitude of Chiang, he was expected to make the situation worse. On the one hand, he has declined to interfere in the actions of the 19th Route Army; while on the other he has also been apprehensive of the existence of the 19th Route Army, which may be his enemy afterwards. Probably, he has anticipation of extinguishing the 19th Route Army through the efforts of the Japanese forces."

Expecting a new development in the Pakhoi incident and contending that the readjustment of Sino-Japanese relations should base on a substantial settlement of this matter, the *Shanghai Nippo* in an editorial Sept. 17 commented:—"The departure of Li and Tsai does not mean the immediate settlement of the problem of the 19th Route Army. The other military leaders of the 19th Route Army, such as Ou Shao-nien, Oong Chao-huan, and others, still have no intention to retreat, which remains an obstacle to the investigation of Pakhoi incident."

General Chiang Kai-shek Cautioned by Commander of Third Japanese Fleet

According to a telegram received by Japanese officials in Shanghai concerning the Pakhoi killing, a warning was given by the Commander of the Third Japanese Fleet to General Chiang Kai-shek that if the troops of the 19th Route Army continued to remain in Pakhoi, the fleet would act directly in order to expel them.

Kawagoe Serves Warning on Pakhoi Issue

Shigeru Kawagoe, Japanese Ambassador to China, Sept. 16 warned Gen. Chang Chun, Foreign Minister, that the responsibility for any untoward consequences of the continued failure of the Nanking authorities to enable Japanese investigators to land at Pakhoi would rest with the Chinese Government.

A conference of Nipponese officials was called by Mr. Kawagoe at his official residence Sept. 16. The meeting was attended by Major-Gen. Seiichi Kita, military attache; Rear-Admiral Osamu Satoh, naval attache; Yakichiro Suma, Consul-General Lieut.-Col. Tatsumi Amamiya and Commander Saburo Nakahara, respectively military and naval resident officers.

Shanghai "Mainichi" Says Gen. Chiang Kai-shek Follows Dual Policy

In an editorial the Shanghai *Mainichi* Sept. 15 commented that Gen. Chiang Kai-shek not only tolerates the anti-Japanese campaign conducted by the Kwangsi leaders, including the 19th Route Army commanders, but even promises them that he will make war on Japan. This, the paper asserted, is the essence of Gen. Chiang's dual policy towards Japan and belies his declarations favoring a policy of mutual cooperation.

"Nippo" Comments on Japanese Navy's Preparations

Preparations made by the Japanese Army and Navy to cope with any possible emergency are a direct result of "China's insincerity," the *Shanghai Nippo* declared Sept. 22.

Chinese Investigators Return to Pakhoi—Confer With Japanese

Chinese officials assigned by the Kwangtung provincial government to investigate the Nakano slaying at Pakhoi arrived for the second time at the south Kwangtung port aboard the transport *Fooan* at noon Sept. 19. Ling Shih-feng, secretary to Dr. Philip K. C. Tyau, Foreign Affairs Commissioner for Kwangtung and Kwangsi, who led the group of Chinese officials, called on Japanese investigators aboard the gunboat *Saga*, anchored near Pakhoi, the same afternoon.

Japanese and Chinese Investigators Land at Pakhoi

Nineteen days after the Nakano mob murder, Japanese and Chinese investigators were landed at Pakhoi Sept. 22 under the protection of a Nipponese naval landing party and the guns of nine Japanese warships. Also standing by were the Chinese transport *Fooan* and the 1,900-ton cruiser *Tung Chi*. Seven of the Japanese vessels had arrived on that date from Hoihow, Hainan Island. Following a conference among ranking officers, the decision was reached that the Japanese investigators would land simultaneously with the Chinese, with a detachment of Japanese marines providing protection. Guns of all the Japanese ships in the harbor were also trained on the city.

Marking what is hoped in Chinese circles to be the beginning of a new era, General Li Tsung-jen, the Kwangsi warlord, who Sept. 16 assumed the post of Pacification Commissioner given him by the Central Government, arrived in Canton by air from Nanning Sept. 17. *Reuter* stated that his arrival was generally regarded as one of the most important and happiest events since the establishment of the Republic. It signalizes the complete unification of the country, as Kwangsi has been the last province to come within the fold of the Central Government.

Japanese Policeman Shot Dead at Hankow

Sino-Japanese relations have become still further strained as the result of the murder of a Japanese at Hankow early in the morning of Sept. 19. With this latest incident, murders of Japanese at Shanghai, at Chengtu, at Pakhoi and at Hankow are being investigated. The deaths at Chengtu and at Pakhoi were the result of mob action. Those at Shanghai and this latest one at Hankow were the work of individual assassins. The victim at Hankow was Niwajiro Yoshioka, of the Japanese Consular Police, who was killed by a man as yet unidentified as he was patrolling the boundary of the Concession—on which side of the boundary being a matter about which there is a controversy. A *Domei* message said that investigations on the spot revealed that the shot was fired from a spot two metres within the First Special Administrative Area. Two empty cartridges of large calibre were found near the scene. Chinese bystanders who saw the assault described the policeman's assailant as being a man about 40 years old wearing Chinese clothes. A Chinese hawker, who, Japanese police say, witnessed the fatal attack, is alleged to have told questioners that he saw a man jump off a motor truck loaded with coal that was proceeding from the Japanese concession towards the First Special Administrative Area, the former German concession.

Japanese naval chiefs in Shanghai gathered in an emergency conference to discuss measures to be taken in Hankow following the murder of Constable Yoshioka. A brief official conference which was held aboard to cruiser *Idzumo* included besides Admiral Oikawa, Rear-Admiral Eijiro Kondo, commander of the Japanese Special Naval Landing Party, Rear-Admiral Seiichi Iwamura, chief of staff of the Third Fleet; Lieut.-Commander Matao Okino, and Lieut.-Commander Kenjyo Minato, assistant naval attaches.

Hankow News Agency Refutes Japanese Charges

Citing official records pertaining to the spot where the Japanese constable Yoshioka met his death on Sept. 3, the *Tao Chung News* Agency refuted the Japanese charges that the deceased was shot in the Chinese territory. According to the news agency the Standard Vaccum Oil Wharf, the scene of the tragedy, is within the Japanese Concession under the control of the 13th Precinct of the Bureau of Public Safety.

Two Chinese Questioned by Japanese Police in Hankow

Two unidentified Chinese were held for questioning by the Japanese Consular Police at Hankow on the night of Sept. 19 following the disclosure that they had moved the body of Constable Niwajiro Yoshioka, shot and killed by an unknown assailant at about 11.40 a.m. that morning. Japanese investigators found a trail of blood leading from the sentry-box, near which the body of Yoshioka was found, to a point on an extension road, across from the Standard Oil Company's installation, where evidence was found that the constable's body had been lying there.

A *Central News* message from Hankow Sept. 21 stated that the reason for the absence of a Chinese police beat in the disputed area was explained by the Chinese authorities. The Chinese police post there was abolished in 1928 at the request of the Japanese Consular Police authorities, on the ground that the area was within the jurisdiction of the Japanese Concession.

A *Domei* message from Hankow Sept. 21 stated that admission that Yoshioka was murdered outside of the Japanese Concession proper and that his body was later carried into the Concession had been made by the Chinese authorities, following a joint Sino-Nipponese investigation. The investigation was featured by the examination of witnesses on the scene of the crime jointly by the Chinese and Japanese officials. According to Japanese officials, the area where the slaying occurred was officially designated as an extension of the Japanese Concession on June 18, 1907, but was never administered by the Japanese authorities. This was the result of the refusal of the Standard-Vacuum Co. and of Messrs. Butterfield and Swire to acknowledge the change in status of the land on which their godowns, which face the river, are located. Claiming that the area was private property before the Japanese concession was extended include to it, both firms had steadfastly refused to pay a land tax on the premises to the Japanese authorities. The levies in arrears now total $56,000, Japanese officials said. Following last year's floods, both the American and the British firm undertook the repair of the embankments facing their respective godowns but left the road, on which the murder took place, untouched. The Hankow City Government took care of the state of the road, they stated.

Korean Assaulted in Hankow-Bound Train by Anti-Japanese Mob

Lieut.-Col. Ryo I, Korean officer serving in the Manchukuo Army, reported to the Japanese military officials in Hankow on the night of Sept. 18 that earlier in the evening he had been assaulted by an anti-Nipponese mob in the dining car of a train which brought him to the Yangtsze port. He said that he was assaulted by the demonstrants, robbed of Yen 3,700 in cash and of a 400-page manuscript he intended to submit for publication to the *Kaizo*, a leading Japanese daily, while his safe-conduct, issued by the Japanese Consulate-General in Tientsin, was torn into pieces.

Four-Hour Hankow Conference Ends in Disagreement

Sino-Japanese negotiations regarding the murder of Constable Yoshioka were deadlocked Sept. 22 as a conference between Yoshiaki Miura, Japanese Consul-General, and Gen. Yang Yung-tai, chairman of the Hupei Provincial Government, ended in a complete disagreement.

Chinese Authorities at Hankow Make Search from House-to-House

A *Central News* message from Hankow Sept. 22 stated that evidence of the sincere determination of the Chinese authorities to assist the Japanese in tracking down the murderer of Niwajiro Yoshioka was provided by a house-to-house search jointly ordered by the Hupeh provincial government and the Pacification Commissioners Headquarters. This action was taken voluntarily by the Chinese authorities without any request from the Japanese consular officials.

Body of Slain Constable Is Cremated

The cremation of the remains of the Japanese constable precludes further examination of the body, it was pointed out in Chinese circles in Hankow Sept. 22. The Chinese authorities, it was added, have not seen the body since the crime, as it was swiftly removed by Japanese naval units.

Japanese Reinforcements Sent to Hankow

Japanese marines sent from Shanghai on two destroyers to reinforce the detachment at Hankow arrived at the river port Sept. 22 at night. Japanese residents turned out in force and lined the streets leading from the naval wharf to the Taisho Hall, where the unit is being billeted. Eight Japanese war vessels are anchored at Hankow.

Departure of a naval landing party for an undisclosed point in China, to strengthen Japanese forces stationed in this country, was announced in Tokyo Sept. 22 by the Admiralty in a special communique.

Central Army Craft Reconnoiter Over Pakhoi

Central army aircraft flew over Pakhoi Sept. 16 apparently to watch the movements of the 19th Route Army, whose withdrawal into Kwangsi had been ordered by Gen. Pai Chung-hsi and Gen. Li Tsung-jen, Kwangsi leaders.

More Moderate Views Prevail in Tokyo

Recent messages from Japan stated that following the withdrawal of the Nineteenth Route Army from Pakhoi, the tense atmosphere in Tokyo had calmed down considerably, and more moderate views are prevailing over radical jingoism. A *Central News* message said that leading opinions in the Japanese capital seem to incline towards the adoption of recognized measures and frown upon any departure from the established course of action. This was before the Shanghai shooting.

Anti-Nipponism in China was likened to poison by Toyoichi Nakamura, Japanese Consul-General in Canton, as he passed through Shanghai Sept. 15 en route to his post aboard the m.v. *Chichibu Maru*.

Safety Bureau Finds Gun Used in Kayau Murder

The Shanghai Bureau of Safety claims to have located the gun used in the murder of Kosaku Kayau in Shanghai July 10. Three men were taken into custody end of last week, one of them name Wang Chen-shen allegedly being the man who fired the shot. The gun was found hidden under the Wukamochao, a bridge in Chapei near Chimei Road. Officers led to the scene by Wang found the weapon in a badly rusted condition at the bottom of a garbage can. A revolver of 38 caliber, the weapon was found to be loaded in five of its chambers. In the sixth chamber, the police found an empty cartridge. One of the most baffling angles of the Kayau crime was the fact that the police, after an exhaustive search could find no empty cartridge near the scene of the shooting. Sent to the ballistics department of the Shanghai Municipal Police for examination, the gun was found to fire bullets which tally with the slug that was extracted from the head of Mr. Kayau.

Bomb Tossed Into Japanese Home at Swatow

An abortive attempt to blow up the home Sunao Mori, owner of the Koshi Yoko, a Japanese machinery store in Swatow took place on the night of Sept. 17. A hand-grenade, wrapped in a handkerchief, was thrown into the kitchen of the house, but did not explode. Japanese and Chinese police officials were immediately summoned and investigated the affair. A Chinese, believed to be about 27 or 28 years old, who was seen loitering in front of the store, is being sought.

China to Establish Banknote Printing Concern

Negotiations are near completion between the Ministry of Finance and the Chung Hwa Book Company for the organization of a banknote printing works in Shanghai. The new plant, according to the present plan, will have a capital of $1,500 000. Special experts from the American Bank Note Company have been invited to China to assist in the installation of machinery.

Feng Jui Made Fortune in Rice and Sugar, But Wolfram Deal Angered Warlord, Spelled Doom

BY THE REVIEW'S CANTON CORRESPONDENT

BECAUSE of his alleged embezzlement of Government funds of over $2,200,000, Dr. Feng Jui (sometimes known among his foreign friends as Rui Feng), former Director of the Canton Agricultural Products Bureau, was executed in Canton on September 9. His execution marks the first official act to purge Kwangtung of its traditional corruption in officialdom.

The late Feng Jui was well educated. He had a Ph.D degree from Cornell University. He returned to China from the U.S ten years ago. As he had no long association with the Kuomintang, he gained his rapid promotions in the now defunct Chen Chi-tang Government in Canton through the backing of his close friends. It was in 1931 when opponents of General Chiang Kai-shek were holding the Extraordinary Kuomintang Session in Canton that Feng Jui was introduced to the Government through the then Commissioner of Reconstruction and Lin Yun-koy, then Provincial Governor, to become Director of the Agriculture Bureau. A man of magnetic personality and tremendous energy, Feng Jui soon attracted the attention of General Chen Chi-tang, then the strong man in the South-west. But Feng Jui won his first distinction in the eyes of General Chen Chi-tang when in 1934 he proposed to the Canton Government the collection of a special duty on imported foreign rice into Kwangtung, under the pretext that the collection was aimed for the protection of Kwangtung's native rice. This imposition netted to the Government an additional income of many million dollars, while every one of Kwangtung's 30,000,000 citizens had to pay much more than before for their staple food, because Kwangtung's supply of rice was never sufficient to meet the local demand, and vast quantities of foreign rice had to be imported from Annam and Bangkok. His first political experiment to tax every Cantonese on their food supply proving to be a success, Feng Jui was encouraged, to enlarge his field of activities and in May 1934 he made the bolder suggestion of a sugar monopoly. In June the same year he was sent by the higher authorities to the Philippiness and there he made an investigation of the sugar industry of that country.

Establishes Sugar Monopoly

On his return to Canton the same year he was empowered by the Government to open the sugar refineries at San Cho and Tze Tao. A sugar monopoly was then officially introduced for the whole of Kwangtung, although the introduction at that time caused strong resentment from the sugar merchants, who saw in the monopoly a complete ruin of their legitimate trade.

Under this monopoly all native sugar of Kwangtung had to be submitted to Feng Jui's bureau for distribution to all parts of this province. Meanwhile the refineries gained the notority of being called the "smokeless sugar factories," because actually very little sugar was produced there and most of the sugar which the Government sold at high prices to the citizens came from abroad. With the assistance of the higher authorities Feng Jui was able to import vast amounts of foreign sugar into Kwangtung by naval transports to avoid payment of duties to the Maritime Customs. The scandal was no doubt well known to the Nanking Government and the Maritime Customs officials, but what could the latter do at that time when there was an independent and powerful military Government controling the destiny of the South-west?

Under the monopoly the peasants of Kwangtung were encouraged to plant sugar canes in their fields—which at one time only grew rice. But to the disappointment of the sugar-cane planters, when they took their products to the Government refineries only paltry prices were awarded for their canes, causing the strongest of resentment.

In December, 1935, Feng Jui was responsible for opening the Shun Tak, Kit Yeung and Kok Kai refineries. For the past couple of years the energetic young politican gained more favors from the former Commander-in-chief and Governor when he on many occasions acted as their envoy to see General Chiang Kai-shek in Nanking. Pertaining to financial affairs and administration of the Kwangtung sugar monopoly he interviewed Dr. H. H. Kung and other of Nanking's highest authorities. Thus, from a nobody four years ago, he jumped to the front rank in Canton officialdom.

The name of Dr. Feng Jui was in all Canton and Shanghai newspapers last June and July when the South-west threatened to wage war against Nanking and when Feng Jui was the peace representative for Canton. On a number of occasions, Feng Jui had to make hurried trips by air or steamer coming and going between Nanking and Canton, making a final effort to negotiate for peace for his higher military colleagues. It was then that many of Feng Jui's friends advised that these missions to Nanking were most dangerous in view of the strained relations of the two governments and the possibility that Nanking might order his detention in the north, knowing that he had accumulated many millions of dollars in the Canton administration.

Because of his undaunted political ambition and his belief that in his new acquaintance with some Nanking officials he had gained new influence with the reorganized Government, Feng Jui returned unsuspectingly to Canton in the latter part of July shortly after Chen Chi-tang's exit from the political arena. Feng Jui was most envied among the former officials who served under Chen Chi-tang, when Nanking announced that he could retain his old post as Director of the Agriculture Bureau.

Incurs Displeasure of High Military Commanders by Wolfram Control

But what the over-confident politican never realized was that in his powerful days when he worked day and night for the improvement of the revenues of the defunct government, he had incurred the displeasure of some high military commanders, when Feng made the suggestion that the Military Exploitation Department of Chen Chi-tang's Headquarters should control all the wolfram business in southern Kiangsi. The profits from the mining of the wolfram in southern Kiangsi formerly went to the First Kwangtung Army, but when Chen Chi-tang accepted Feng Jui's idea of a wolfram monopoly, the profit went direct to the Canton Government.

But when Chen Chi-tang left Kwangtung, some of the political enemies of Feng Jui not only retained their posts, but were given promotions to much more influential postitions because of their loyalty to the Nanking Government. It is alleged that Feng Jui, through his interference with the rice duties, the sugar and wolfram monoplies, had amassed a fortune of millions of dollars. It is learned from the best authority that Feng Jui has some big accounts with leading foreign banks in Hongkong. Newspapers say that his own residence in Tungshan, Canton, was his only property in Canton, and even Feng Jui's closest of friends and relatives and his concubine did not know where he had hid his millions of dollars. As Feng Jui was not allowed to communicate or even write to any of his close relatives or friends between the time of his detention on August 17 and the execution on September 9, his friends express the opinion that at least part of this corrupt official's vast fortune would ultimately never be discovered by his relatives, because of the deceased's secrecy and the probability that much of money might be deposited under an alias.

At the time of his arrest the prisoner had $200 in banknotes in his pocket and also a gold watch and some keys, which the Police will return to the bereaved family.

It is interesting to recall that while actually, General Chiang Kai-shek and Kwangtung Provincial Chairman Huang Mo-sung signed the decree ordering Feng Jui's execution on September 3, only a few days before the execution, newspapers in the south came out with the surprising news that Feng Jui would be released if he would return the amount allegedly embezzled, $2,200,000.

Even a few hours before the execution Feng Jui was still waiting confidently in the prison that his influential friends would eventually secure his freedom with the tremendous fortune at his disposal. But what he did not know was that General Yu Han-mow, new Commander of the Fourth Route Army, Kwangtung, who previously had been stationed in southern Kiangsi where the most profitable wolfram mines were located, took a most serious view of his maladministration of Government accounts and frankly told his friends that who dared to speak for leniency for Feng Jui would be rudely refused. On two occasions Feng Jui was closely interrogated by General Yu Han-mow. During these secret trials, Feng Jui strongly repudiated all charges of corruption brought against him, but when evidences and witnesses were produced by the Government he submitted to the charges with a silent plea of guilt.

Canton, Sept. 16, 1936.

Chinese Students in U.S. Protest Against Suppression of Student Movement in China

The Chinese students of the chapter of the Washington Student Union (an affiliate of the American Student Union) at the University of Washington recently issued open letters protesting what they described as "the infamous practices of Kuo-min-tang officials in suppressing the students' movement in China." "We believe that our brother students in China, as leaders against that foreign imperialism which robs them of their rights and heritage, should be encouraged as being one of China's chief assets. Any nation which intends to maintain the respect of the rest of the world must uphold the elementary rights of freedom of speech and assembly to all its people. Therefore, we heartily condemn the collaboration of the Kuo-min-tang officials with the Japanese troops to suppress student's demonstrations and protests," it was stated.

Japanese Are In Undisputed Control of Fengtai; Gens. Chiang and Li United in Canton Meet

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Settlement of Fengtai Incident Marked by Complete Japanese Occupation.**
2. **Kwantung Army Determined to Maintain Order in China At "Any Cost."**
3. **"Shanghai Nippo" Says Japan Is Prepared for The Worst With China.**
4. **General Sung Cheh-Yuan Upholds China's Territorial Integrity.**
5. **Generals Chiang Kai-shek and Li Tsung-jen United In Canton Meet.**
6. **General Pai Chung-hsi to See Gen. Chiang After Demobilization Completed.**
7. **Kwangsi Leaders Pledge Their Best for National Salvation Work.**
8. **Nanking Plans Elaborate Celebration of "Double Ten" Anniversary.**

The Chinese barracks at Fengtai, the important railway junction 15 miles south of Peiping, were occupied by Japanese troops Sept. 15 following the evacuation of the Chinese garrison. The Chinese withdrew in accordance with the terms for a settlement of the incident which occurred the previous day when Chinese and Japanese troops came into collision after a Japanese officer had allegedly been insulted by Chinese soldier. The settlement allayed fears of a serious armed clash, as both sides had taken up positions and appeared to be ready for anything. Firing, in which trench mortars are reported to have been used, occurred, but there were no casualties. In all, five companies of Chinese troops evacuated Fengtai, one company from the barracks inside the town and the others from barracks half a mile south of Fengtai. Subsequently six companies of the same division—the 37th divisions of the 29th Army—occupied the barracks outside the town, but, because of Japanese objections, later started a withdrawal. It is estimated that there are now not less than 800 Japanese troops in Fengtai.

Japanese sources stated that the terms for a settlement were :—

1. Withdrawal of the Chinese troops from barracks inside Fengtai, Sept. 19.

2. Withdrawal of Chinese troops from the barracks south of Fengtai, Sept. 20.

The terms were referred by the Chinese to General Sung Cheh-yuan, chairman of the Hopei and Chahar Political Council, and by the Japanese to Lieutenant-General Tashiro, commander-in-chief of the Japanese forces in North China. Upon receiving confirmation from the two generals, who were both in Tientsin, the Chinese troops marched out of their barracks and faced the Japanese troops lined up outside. The Chinese commander, says a Japanese report, thereupon expressed regret over the incident and pledged his word that there would be no repetition. The Japanese commander then delivered a speech in which he said that if the Chinese continued their insincere attitude, the Japanese forces would have made a definite attack ; but, as the Chinese had admitted making a mistake this time, they would be treated as a friendly army.

The two commanders then shook hands, and the Chinese soldiers marched away. The latest version of the incident is that a Japanese column met a Chinese column returning to barracks, singing patriotic songs as they marched. The two columns passed in a narrow street without incident till the tails of each column were about to separate, when the men of the last Chinese rank bumped the last rank of the Japanese. The Chinese then smacked the hindquarters of a horse on which a Japanese officer was riding, causing it to rear. The Fengtai area is now completely clear of Chinese troops, leaving the Japanese in undisputed control.

KWANTUNG ARMY TO MAINTAIN ORDER IN CHINA AT "ANY COST"

In view of the frequent incidents involving Japanese subjects which have occurred lately in China, Gen. Itagaki, Chief-of-Staff of the Kwantung Army, gave an interview to the press at Changchun Sept. 21. "The Kwantung Army," he declared, "pays great attention to conditions in China, especially in North China, in keeping with its task of maintaining peace in East Asia and defending the frontiers of Manchukuo. As a result of the policy of the Nanking government, which seeks alliances with remote powers while preparing war with its nearest neighbor, an intensive anti-Japanese movement is spreading far and wide across the country. Lately, this movement has been manifested by frequent killings of Japanese subjects and insults to the loyal army at Fengtai. The lives and property of our loyal subjects in China, as well as the peace of East Asia, are in danger. We declare it to be the necessary mission of the Kwantung Army to maintain order in China, particularly in North China. We shall achieve this mission at any cost."

SHANGHAI "NIPPO" SAYS JAPAN EXPECTS THE WORST FROM CHINA

"Japan expects the worst. The army and navy have been mobilized. At the first blow China will fall to pieces. This is China's last chance to reconsider her attitude." In these words the *Shanghai Nippo*, in an editorial Sept. 22, describes the existing state of Sino-Japanese relations, declaring that the Japanese government has already decided to take strong measures in China.

Commenting Sept. 22 on the attitude of Gen. Chiang Kai-shek towards Japan, the *Shanghai Mainichi* writes :

"A month has passed since the Chengtu incident, but Gen. Chiang Kai-shek maintains an indifferent attitude and remains calmly in Canton, in order thereby to escape from his responsibility. More than that, he invited the Governor of Hongkong to visit him in Canton and there made some sort of bargain with him. During their talks, there is no doubt that all questions relating to Sino-Japanese problems were discussed. Thus Gen. Chiang secretly joins with Great Britain in order to prepare to deal with Japan."

14,000 JAPANESE TROOPS ARE STATIONED IN NORTH CHINA

Instead of 8,000 as officially announced by the Japanese authorities, there are now more than 14,000 Japanese troops in North China, according to a *Shun Pao* report Sept. 21. These Japanese soldiers are distributed as follows :

Tientsin—Haikwangshih barracks	2,825 men
,, —Tungchutze barracks	1,600 ,,
Peiping	4,000 ,,
Fengtai	2,000 ,,
Tungchow	700 ,,
Shanhaikwan	800 ,,
Chinwangtao	500 ,,
Nantashih	500 ,,
Tangshan	400 ,,
Tangku	500 ,,
Changli	300 ,,
Luantung	300 ,,
Liusuyin	180 ,,
Along Peiping-Liaoning Railway	170 ,,

Japanese Garrison troops stationed in Peiping, Tientsin, Tungchow and Fengtai, will stage their mommoth Autumn Maneuvers from Sept. 26 to Oct. 16. *Central News* reported Sept. 22. The territory of their sham battles, it is learned, will be along the western section of the Peiping-Tientsin Railway and the northern section of the Peiping-Hankow Railway.

GEN. SUNG CHEH-YUAN UPHOLDS TERRITORIAL INTEGRITY

Strict adherence to his fundamental policy of not tolerating any activities that should prove detrimental to China's territorial integrity and sovereignty was reiterated by Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, in a statement issued at Tientsin Sept. 20. Gen. Sung's statement briefly reviewed his administrative policy as has been carried out since his assumption of office last December as Chairman of the Hopei-Chahar Political Council. "From both the internal and foreign relations standpoint," Gen. Sung declared, "the Council's policy has been one advocating peace, and will remain unchanged in future." Enlarging upon the thesis, Gen. Sung emphasized that he has labored and will continue to labor for the welfare of the nation and the people, and never will he permit doings that harm the people or infringe upon national rights. Turning to foreign relations, Gen. Sung recognized the necessity of maintainnig friendly relations with Japan which he considered an essential to the maintenance of peace in the Far East. However, Gen. Sung added, in carrying out the program of effecting closer friendly relations between the two countries, he has faithfully followed the principle of equality and reciprocity.

Acting upon instructions from Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council and concurrently Governor of Hopei, the Tientsin City Government is making plans to strengthen its Pao An Tui and Police forces. The step is being taken, it is explained, to enable the local authorities to meet any emergency that may arise. According to tentative plans, 1,500 men will be added to the police force and three detachments to the Pao An Tui. The present strength of the Pao An Tui is 7,000 strong.

JAPANESE WANT CHANG HU TO BE ECONOMIC COMMITTEE CHAIRMAN

Gen. Sung Cheh-yuan accompanied by Chen Chueh-sen, Managing-director of the Peiping-Liaoning Railway Administration, called on Chang Hu, Minister of Finance of the former Peking

Government, in the Japanese Concession in Tientsin Sept. 16. The Japanese are in favor of the appointment of Mr. Chang as successor to Wang Keh-min who has resigned as Chairman of the Economic Committee of Hopei-Chahar Political Council.

H.C.P.C. ASKED TO SEND TROOPS TO ASSIST IN ANTI-SMUGGLING WORK

The Ministry of Finance has requested the Hopei and Chahar Political Council to dispatch troops to the three newly opened customs barriers along the Peiping—Tientsin Highway to assist the customs agents in checking smuggling on land. According to a petition submitted by the Tientsin Customs House, Hopei is now being flooded with contrabands transported from various districts by trucks. As the customs barriers lack adequate armed force their preventive efforts have so far been fruitless. E. N. Ensor, Director of the Anti-smuggling Inspectorate-General, is now in Nanking directing the preventive work of the customs agents throughout the country.

More than 40 Japanese military officers confered at Tientsin Sept. 16. According to *Shun Pao*, the conference discussed the following problems:

1.—Mobilization of Japanese forces in the period of emergency,
2.—Formulation of a firm and vigorous North China policy,
3.—The need for insisting upon a more "clear and open" political atmosphere in North China,
4.—Formulation of plans regarding the East Hopei and East Suiyuan problems,
5.—Formulation of plans for closer cooperation with the Japanese Kwantung Army in Manchuria, and
6.—Realization of Sino-Japanese economic cooperation

ANTI-PUPPET MOVEMENT IN EASTERN HOPEI IN FULL SWING

The anti-puppet movement in Eastern Hopei is now in full swing, reported *Ta Wan Pao* Sept. 18. Leaflets have been discovered in many districts in Luantung, giving a full account of the crimes committed by Yin Ju-keng, chief of the puppet Eastern Hopei Regime.

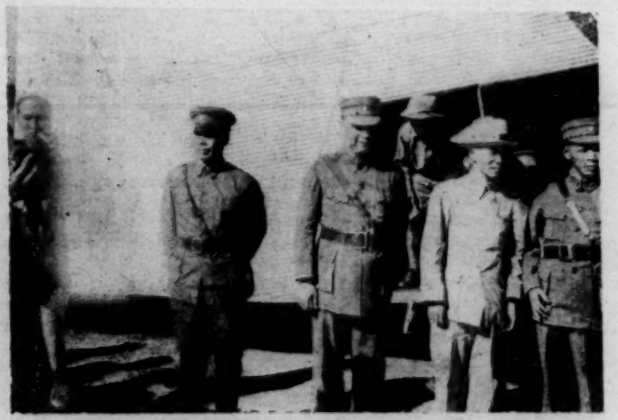
The ten crimes are as follows:

1.—Exploitation of the people.
2.—Increase of taxes.
3.—Secret connections with "Manchukuo" and the Japanese.
4.—Prohibition of self-defense among the people.
5.—Embezzlement of public funds.
6.—Inability to suppress bandits.
7.—No protection offered to the people.
8.—Sale of land to the Japanese.
9.—People deprived of their freedom.
10. Corrupt administration.

Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, is paying special attention to the repeated accusations of dishonesty and graft made against Chen Chueh-sen, Managing-Director of the Peiping-Liaoning Railway Administration. *China Evening News* reported Sept. 17 that Mr. Chen will be removed from his post and will be appointed adviser to the Hopei-Chahar Political Council.

GENERALS CHIANG AND LI UNITED IN HISTORIC MEET AT CANTON

General Li Tsung-jen, Pacification Commissioner for Kwangsi, and General Huang Hsu-chu, Chairman of the Kwangsi Provincial Government, arrived at Canton from Nanning on board a Junkers airplane at 3.50 p.m. Sept. 17, in the company of General Cheng Chien, Chief of the General Staff, and General Huang Shao-hsiung, the re-appointed Chairman of the Chekiang Provincial Government. They were given a rousing welcome at the aerodrome by civil and military leaders at Canton. The two Kwangsi leaders proceeded in the evening to Whampoa where they were received by General Chiang Kai-shek, President of the Military Affairs Commission. At a meeting for the discussion of rehabilitation measures convened by General Chiang there . It was decided that the Kwangsi provincial forces and the "19th Route Army" under General Tsai Ting-kai be reorganized into the 5th Route Army, consisting of 8 Divisions. The military expenses of the 5th Route Army were tentatively fixed at $3,000,000 monthly, of which $1,000,000 will be borne by the Kwangsi provincial treasury and the remainder by the Central Government. Deputies are to be sent by the Central authorities for the readjustment of Party and Civil affairs in Kwangsi. General Li Tsung-jen as Pacification Commissioner will be entrusted with the task of attending to the military affairs of the province.



This picture shows the arrival at Canton of Gens. Li Tsung-Jen and Huang Shu-chu, Pacification Commissioner and Chairman of Kwangsi respectively, to see General Chiang Kai-shek. From left to right are: General Li, General Yu Han-mou (Pacification Commissioner of Kwangtung), General Huang and General Hsiang Han-pin.

Accompanied by General Chien Ta-chun, his Chief Adjutant, General Chiang Kai-shek, paid a return call on General Li Tsung-jen and General Huang Hsu-chu, in the morning of Sept. 17. General Chiang returned to the Whampoa Provisional Headquarters after a meeting lasting half an hour. The two Kwangsi leaders subsequently proceeded to Whampoa to receive instructions from General Chiang who gave a luncheon in their honor. It is understood that the rehabilitation measures for Kwangsi were discussed during the several meetings between General Chiang and Generals Li and Huang. General Chiang expressed his appreciation of the laborious efforts of the Kwangsi leaders in recent years. General Li declared that hereafter the Kwangsi will abide by the instructions of the Central authorities in attending to the Party, civil and military affairs.

Ending an historic visit, General Li Tsung-jen, Pacification Commissioner of Kwangsi, left for Nanning Sept. 20 by air, accompanied by General Huang Hsu-chu, Governor of Kwangsi. The outcome of his conferences with General Chiang Kai-shek, Chairman of the Executive Yuan, is stated to have been entirely satisfactory. Interviewed by *Reuter* before his departure, General Li Tsung-jen said that, as a result of his conferences with the Generalissimo, a satisfactory decision had been reached concerning the military and political rehabilitation of Kwangsi.

In the course of a series of conferences convened by Gen. Li Tsung-jen, Pacification Commissioner for Kwangsi, held on Sept. 21 and 22, all the attending military leaders of the Kwangsi army pledged their undivided support to the Central Government. Instructions, it is stated, have been issued by Gen. Li for the immediate demobilization of the huge Kwangsi fighting units and for the reorganization of the army into the Fifth Route Army in accordance with Gen. Chiang Kai-shek's instructions. Meanwhile Gen. Li has also dispatched a telegram to the Nanking leaders now in Canton, reporting the result of the conferences, particularly emphasizing the wholehearted support of all Kwangsi military leaders to the National Government.

KWANGSI LEADERS PLEDGE THEIR BEST FOR NATIONAL SALVATION WORK

A circular message, pledging to exert their last ounce of energy in the work of national salvation under the direction of the Central Government, was issued Sept. 15 to the entire nation by Gen. Li Tsung-jen, Pacification Commissioner for Kwangsi, and Gen. Pai Chung-hsi, member of the Standing Committee of the Military Affairs Commission. The circular began by saying that it was only due to their genuine concern over the precarious situation of the nation and the promptings of their conscience that they recently started the campaign to petition the Central Government to lead the nation in a war against foreign aggression. However, the circular added, their action not only had not succeeded in bringing about their desired intentions but had come near to virtually plunging the nation into another civil war, which, they said, had not been their motive. Fortunately, continued the telegram, in view of the patriotism of the people who were strongly opposed to the exercise of emotional extremities, the Central Government had sent special delegates to Kwangsi to investigate the real situation then obtaining. At the same time, the wire said, the Nanking delegates had fully understood the real motive of the Kwangsi leaders and had also accepted the Kwangsi views on national salvation. From now on, therefore, the wire assured the nation, they will not lag behind other leaders in the support of the Central Government with the hope that the national salvation program of the Government may be carried out.

GEN. PAI TO SEE CHIANG AFTER DEMOBILIZATION COMPLETED

As soon as the demobilization of troops in Kwangsi is completed he will leave for Canton to receive instructions from Gen. Chiang Kai-shek, chairman of the Military Affairs Commission, Gen. Pai Chung-hsi, member of the Standing Committee of the M.A.C., informed the *Central News Agency* Sept. 18. If the Generalissimo cannot stay long in Canton, Gen. Pai added, he will see him somewhere else as it is not absolutely necessary that they must meet in Canton. The reason why he must postpone his trip to Canton, Gen. Pai explained, was that most of the military affairs pertaining to Kwangsi had been placed in his hands, and therefore he must personally supervise all the demobilization routines.

As a result of earnest persuasions of Gen. Chiang Kai-shek, Gen. Pai Chung-hsi has definitely abandoned his plans of taking an investigation trip abroad.

General Pai said in an interview with *Central News* Sept. 15 that he had cherished a wish to go abroad to study the conditions in foreign countries for ten years and hoped that he would be permitted to fulfill the wish. However, he said that the final decision rested on Genreal Chiang and that he would bring up the matter when he sees the former in Canton.

Despite reports that General Pai Chung-hsi, member of the standing committee of the Military Affairs Commission, is going abroad early in October, he has not yet applied for a passport, *Reuters* reported Sept. 19.

According to *Shanghai Nippo* the Kwangsi Salvation Association has issued a circular telegram demanding immediate war with Japan. "Peace," the telegram states, "has become hopeless. Sacrifice is inevitable. If we do not fight Japan we shall no longer be able to exist. We, the people of Kwangsi, numbering 13,000,000 souls, are prepared to fight on the front lines for our fatherland. We demand that the Central Government lead the patriotic movement and declare war on Japan immediately."

Telegrams are being exchanged between Dr. H. H. Kung, Minister of Finance, and General Li Tsung-jen and Huang Hsu-chu, Pracification Commissioner for Kwangsi and Chairman of the Kwangsi Provincial Government respectively, regarding the measures for readjustment of Kwangsi's finance and currency. Concrete decisions are expected to be reached before long. The banknotes ordered by the Kwangsi Provincial Bank from the American Bank Note Company will soon be shipped from Hongkong to Wuchow and Nanning. The Ministry of Finance has instructed the Wuchow Customs to authorize the transit of the Notes through Wuchow, the river port.

GEN. CHIANG RETURNING TO NANKING BEFORE OCTOBER 10TH

General Chiang Kai-shek will return to Nanking sometime before October 10th, declared Gen. Cheng Chien, Chief of the General Staff, who returned to the Capital from Canton by air Sept. 22. Arriving in the same plane were Chu Cheng, President of the Judicial Yuan, and Chen Li-fu, member of the C.E.C. According to Gen. Cheng, Gen. Pai Chung-hsi will leave Nanning for Canton to interview Gen. Chiang Kai-shek immediately after the complete demobilization of the Kwangsi troops. Gen. Cheng also declared Gen. Pai will probably cancel his contemplated trip abroad. Gen. Cheng revealed that the Kwangsi troops will be reorganized into two armies composed of six divisions. Political and financial readjustment of Kwangsi, he said, has also been decided upon during the recent interview between Gen. Chiang Kai-shek and Gens. Li Tsung-jen and Huang Shu-chu.

Madame Chiang Kai-shek, wife of the President of the Executive Yuan, left Canton Sept. 18 by plane for Kiukiang enroute to Kuling, the famous Kiangsi summer resort. Generalissimo Chiang personally saw Madame Chiang off at the aerodrome.

General Chu Pei-te, Director of the Adminitsrative Office of the Military Affairs Commission, returned to Nanking from Canton via Shanghai and resumed his duties Sept. 20. General Chu was one of the three Government peace envoys who proceeded by airplane to Kwangsi in order to arrange the amicable settlement of the recent crisis.

With the demobilization of the Central Government troops, General Chiang Kai-shek has ordered the units of the 4th Route Army under General Yu Han-mou, concurrently Pacification Commissioner for Kwangtung, to take up garrison posts in the West and North River Regions. General Yu subsequently ordered the 151st Division under Lieut.-General Mo Hsi-te to proceed to the West River region and the 153rd Division under Lieut.-General Chang Jui-kuei to the North River region. Lieut.-General Chen Chang, Commander of the 152nd Division, will be responsible for the maintenance of peace and order in the vicinity of Canton.

CANTON BRANCH OF ECONOMIC RECONSTRUCTION ASSOCIATION INAUGURATED

The Canton Branch of the General Association for the Promotion of the National People's Economic Reconstruction Movement was formally inaugurated there Sept. 16. The inaugural ceremony was held at the auditorium of the Kwangtung Provincial Party Headquarters, over 200 officials and representatives of various civic organizations being present.

Following the regular opening ceremonies, a message written by General Chiang Kai-shek, who was unable to attend personally on account of pressure of official duties, was read by Chen Li-fu. In his message, General Chiang pointed out that the fundamental menace to the nation lies in its economic backwardness. The entire people must strive in unison for the amelioration of this deplorable state of affairs, as otherwise the Revolution will be futile. Recalling that the Economic Reconstruction Movement was launched only in August last year, General Chiang stated that considerable headway had already been made in various parts of the country in the promotion of this movement. In order that Kwangtung may become a model province, he contniued, the livelihood of the people of this province must be improved in accordance with the *San Min Chu-I* (Three People's Principles). In promoting the Economic Reconstruction Movement in Kwangtung, however, special attention should be paid to the particular needs of the province.

For the purpose of carrying out the programme of Dr. Sun Yat-sen to make Canton a prosperous centre, Chang Kia-Ngau Minister of Railways, and the Kwangtung Provincial Government for the development of the port of Whampoa. A sum of $5,000,000 will be allotted by the Ministry of Railways and Mr. Chang has recommended the appointment of Tseng Yang-fu, Mayorof Canton and Political Vice-Minister of Railways, as concurrently Director of the Whampoa Port Development project.

General Huang Mo-sung, Governor of Kwangtung, has been appointed Commander of the Kwangtung Peace Preservation Corps. Tsou Lu, Chancellor of the Sun Yat-sen University at Canton, is returning to Hongkong from abroad early in October, according to reports received at)Nanking Sept. 19.

NANKING PLANS ELABORATE CELEBRATION OF "DOUBLE TEN"

With national unification realized, there will be great rejoicing in the land on Oct. 10, China's Independence Day. Foreign diplomatic representatives will be received by the Central and local authorities on "Double Tenth," according to a circular order issued Sept. 22 by the National Government. While a general holiday will be proclaimed, public meetings will be held all over the country in celebration of the 25th anniversary of the founding of the Republic of China. During the past five years, it may be remembered, Oct. 10 was not officially observed in view of the national emergency.

GOVERNMENT BANS MANIPULATION ON ASSEMBLY ELECTION

Having been advised of numerous cases involving military officers who illegally manipulated election of delegates to the forthcoming National Assembly, the National Government Sept. 19 issued identic orders to the Military Affairs Commission and the National Assembly Election Head Office, instructing that strict supervision be maintained throughout the nation-wide balloting. Pointing out the close relationship between the election of delegates to the National Assembly and the eventual introduction of a constitutional government in China, the mandate instructed the local authorities to see to it that everything be executed according to law so that the nation's wise and capable citizens can be selected to work for China's welfare. Any illegal contest would not only discourage able citizens from participating in election but also leave a bad impression on the general public, and this will diametrically against the original purpose of the state in promoting constitutionalism, the order further asserted. Irregularities in the elections must therefore be checked and corrected and no excuse be accepted and no tolerance shown to any persons perpetrating unlawful methods, the mandate warned.

Members of the Kuomintang Central Executive and Supervisory Committees being delegates ex officio to the forthcoming National Assembly should not participate in election contests, according to the ruling handed down by the Central Kuomintang Headquarters Sept. 16. The ruling, however, does not apply to reserve members of the two committees.

Travelling expenses for the Panchan Lama's return trip to Lhasa, amounting to $300,000, have been remitted to the Tibetan dignitary, according to Gen. Chao Shou-yu, Chinese Government's special envoy to accompany the Panchan Lama back to Tibet, who arrived at Sian Sept. 15 en route to Kokonor to meet the Living Buddha. The date for the Panchan Lama's departure will be decided upon Gen. Chao's arrival at Yushu where the former is staying.

On account of the absence of Liu Lu-yin, Director of the Central Publicity Department, the Standing Committee of the Central Executive Committee appointed Sept. 22 Fang Chih, acting Director of the Depratment.

"NEW LIFE WEEKLY" EDITOR GIVES UP WRITING CAREER

Tu Chung-yuan, editor of the former *New Life Weekly*, who was jailed for publishing an article considered offensive by the Japanese authorities, has decided to give up his career as a publisher. Henceforth he will devote his time to his porcelain interests in Kiangsi, reported *Nichi-Nichi* Sept. 12.

"TA KUNG PAO" SUED FOR PUBLISHING PLAY REFERRING TO MANCHUKUO

Interest of Chinese newspapermen in Shanghai was attracted to the case in which the Sept. 11 *Ta Kung Pao*, a leading vernacular daily, was prosecuted in the First Special District Court by the Shanghai Municipal Police for alleged attempts to disturb peace and good order by publishing a story entitled, "Banned Play," on Aug. 16. The story cited by the Municipal Advocate in the court hearing had reference to "Manchukuo," and the Three Eastern Provinces. The prosecution pointed out that through its wording, the article tended to arouse the readers' feeling in regard to Three Eastern Provinces. It was alleged that the story was contrary to the National Law prohibiting hostile references to a friendly nation. Appearing in the court as the defendent was Chang Chi-luen, Editor-in-Chief of the paper, who denied the charge. He told the court that "Manchukuo" is not a "nation," inasmuch as the National Government has never recognized it . Furthermore, he said, the Three Eastern Provinces are still parts of Chinese territory. The reasons, the *Ta Kung Pao* editor continued, will show that the law referred to by the Municipal Advocate is not applicable in the present case. The hearing was adjourned for further hearing.

China's Stake in Hainan Island

BY C. Y. HSIEH (謝志耘)

THERE is much in the present Japanese reaction toward the Pakhoi incident to suggest that the Tokyo Government, or at least its Ministry of Navy, would not be sorry if the affair should lead to a Sino-Japanese armed conflict in south China. The exaggeration, out of all proportions, of feelings of assaulted national honor is nothing new in the history of Japan's relations with this country, although it serves an immediate purpose to harass Nanking in view of the forthcoming negotiations for the adjustment of outstanding Sino-Japanese issues. Nor is surprise in order if force in the form of Mr. Kawagoe's proceeding to the Capital with a strong military and naval staff, has been displayed to impress the Chinese Government. All these have become familiar attributes of Tokyo's China policy in general. It is, however, the hurried concentration of naval units along the south China coast and the unusually outspoken attitude of the Ministry of Navy as expressed by Admiral Negano and echoed by some Japanese newspapers in hints of "occupation for guarantee," which create the impression that some specific local objective has been contemplated.

What, then, could Japan have in mind in stretching her sea arm to the south China coast?

One hundred and thirty marine leagues to the southeast of Pakhoi, the scene of the latest Sino-Japanese incident, lies Hainan Island, an island the size of Formosa, fertile and rich but undeveloped and almost virgin, and commanding a strategic position which may play a dominant part in the future international rivalry in the Far East. Whether correctly or not, reports from time to time have linked this island with Japan's scheme for expansion in the south. In this case geography lends ready support to conjecture, as no great imagination is required to open the eyes of Japanese naval strategists. A casual look at the map could not fail to suggest Hainan Island to these gentlemen as the missing link in the inner arc of Japan's naval defence—a line running from Japan Proper through the Liuchius, Formosa, the Pescadores—just as the mandated islands form the outer arc of her defence. And when some of the newspapers in Japan clamored for an "occupation for guarantee," what better objective could they think of than Hainan?

It is thus imperative that whatever may be the solution of the Pakhoi incident, something must be done about this island. Now that the Central Government has brought the Liangkwang Provinces within its orbit, there should be added incentive to develop its resources and potentialities, of which relatively little has hitherto been known.

Some Details of Hainan Island

Hainan Island is bounded on the east by the China Sea and on the west by the Bay of Tongkin which separates it from French Indo-China, and beckons to Leichow Peninsula through the Hainan Straits. Its principal port Hoihow (Chiungchow) is 260 marine leagues away from Hongkong, 220 leagues from Haiphong in Indo-China, 130 leagues from Pakhoi and 100 leagues from Kwangchowan.

The area of Hainan Island, which approximates that of Formosa, is estimated at 33,556 sq. kilometers. The topography is charaterized by an extensive plain in the northeast where much arable land lies and by a mountainous region toward the southwest which has been inhabited by the "Li" tribes. In between the two and all along the coasts stretch highly fertile tracts. The climate of the island being tropical, three crops a year, are possible at Chiungchowfu and other districts.

The population of Hainan Island cannot be ascertained so far, from any reliable statistics. But according to General Huang Chiang, one-time Chief-of-Staff of the 19th Route Army, who was the administrator of the Chiungya Special District eight years ago, it is in the neighborhood of two millions, of whom about 10%, or 200,000, belong to the "Li" tribes.

Communications of the island with the outside world are fairly convenient, the distance from Hoihow to Hongkong or Haiphong taking only a day and a night by boat. On the island itself there is no railway and what highways and motor roads have been built are largely confined to its northeastern districts.

Any improvement in communications is bound to speed up the economic development of the island in which sugar, jute, rubber and canning industries now play a large part. Owing to the backward state of agriculture, the production of rice has not been adequate to meet local needs, which have thus to rely heavily on imports. The island's export staples include cattle, pigs and poultry.

Among the bases of emigration in China Hainan claims a prominent place. Annual remittances from its emigrants in the Straits Settlements and the South Sea Islands used to reach ten million dollars, but what with the setting in of the world depression and the consequent large-scale repatriations, these have been greatly reduced in recent years.

The commercial center of Hainan Island is located at Hoihow (Chiungchow), where a Customs house was opened in April 1876, in accordance with the treaty concluded with Great Britain in 1858.

For the purpose of administration the island has been divided 13 into "hsien" or districts, namely Chiungshan, Wenchang, Chiungtung, Tingan, Tengmai, Lingkao, Chan, Changchiang, Kanen, Ya, Lingsui, Wanning, and Lohui. The seat of political authority is established at Chiungchowfu where there used to be an office of the Pacification Commissioner for southern Kwangtung. This post was held about seven or eight years ago by General Huang Chiang in proxy of General Chen Mingshu, and more recently by General Chen Han-kwang, who had quite a goods administrative record. Of the 13 "hsien" mentioned Changchiang, Kanen, Ya, Lingsui, Wanning and Lohui are not fully settled, owing to their contiguity with regions occupied by "Li" tribes.

If only from a purely economic viewpoint it is clear that the development of Hainan Island calls for greater attention on the part of the Government and the public than has hitherto been given to it. To such a demand, it is gratifying to note, the overseas Chinese communities have become increasingly alive, as evidenced by their growing investments in various enterprises in the island.

Hainan's Strategic Position

But over and above mere economics there is the consideration of Hainan's strategic position with its bearing on national defence and international politics. As the only large island off the China coast, it should with proper fortifications cast a screen of security for southwestern Kwangtung. Much has also been heard, although little done, about the possibilities of Yuling Harbor, at the southern point of the island, as a high-class naval base. But the present military establishment on the island is far from adequate, although a very small arsenal is known to exist at Hoihow (Chiungchow).

The strategic importance of Hainan may be better understood if we suppose the worst to have come—namely, the event of a Japanese occupation. That, as we have pointed out above, would complete the chain of islands under Japanese control which may effectively cut China off from any contact by sea with the outside world in case of a Sino-Japanese conflict. At present the only seaboard not susceptible of a complete blockade is that of southern Kwangtung, and with the completion of the Canton-Hankow Railway, China is bound to count more heavily than ever before on communications with Hongkong and French Indo-China, should she be forced to fight Japan. Under such circumstances the passing of Hainan Island into Japanese hands would mean the blocking of the last remaining safe outlet to the sea and the outside world.

Furthermore, a Japanese foothold on Hainan would radically modify the international balance of power in the Far East. Cutting in on the communications line between Singapore and Hongkong, it would render the latter helpless in times of crisis and check British naval power from coming further east of the former. Likewise, by intervening between French Indo-China and Kwangchowan, it will keep the French navy out of Chinese waters. In a word, a Japanese-controlled Hainan will spell the complete liquidation of British and French influence along the China coasts which, just as completely, will be at the mercy of Dai Nippon.

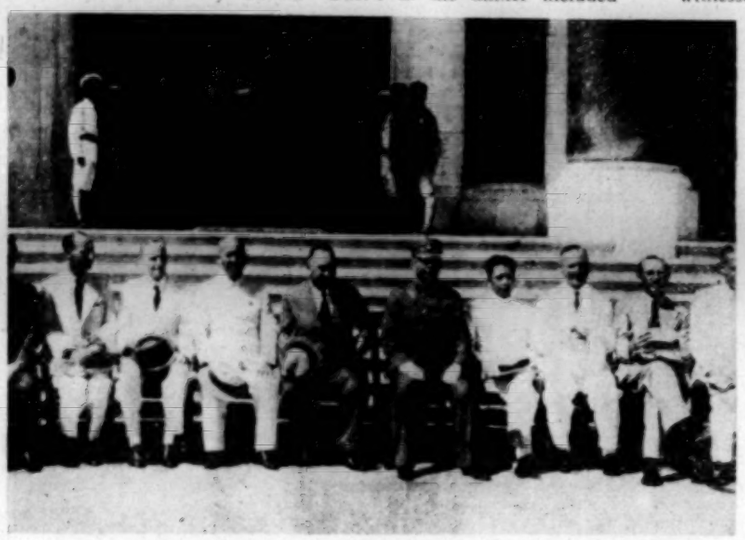
In this connection it may be recalled that when a few years ago the French announced their formal claim to Hsisha Islands, somewhat to the southeast of Hainan, the Japanese at once filed a protest to the French Government and then made a reservation on the claim. That should be an advance notice of what Japan may try to do with Hainan Island if China continues to pursue a policy of laissez faire and fails to develop and fortify this important outpost of the Republic.

Scope of "Simplified Factories" for Women Being Expanded at Nanking

The opening of further "simplified factories" to provide work for its women inmates is one of the latest relief plans worked out by the Charity Home under the Bureau of Social Welfare of the Nanking Municipal Government. In these workshops, women inmates will be provided with work and will be taught various handicrafts. A score of factories previously established on a small scale and devoted to the making of stockings, towels, dress, bricks and tiles are to be expanded and new ones established. Among the latter are those for the manufacture of soap, candle sticks, straw mattresses, bamboo wares, rattan furniture, coal briquettes and others. A sum of $15,000 has been allotted by the Bureau of Social Welfare to finance the scheme. Purchases of machinery are being made and orders for raw materials have also been placed.

Sir Andrew Caldecott Calls on Gen. Chiang Kai-shek—Marks Step Towards Increased Chinese-British Cooperation

Sir Andrew Caldecott, Governor of Hongkong, on his first official visit to Canton, motored to Whampoa, General Chiang Kai-shek's headquarters, Sept. 15 and had an interview with Gen. Chiang Kai-shek. He then attended an informal dinner and returned to Shameen afterwards by launch. Guests at the dinner included



The above picture was taken Sept. 18 when Sir Andrew Caldecott called Gen. Yu Han-mou, Kwangtung Pacification Commissioner. Third from the right are: T. L. Soong, Kwangtung Finance Commissioner; Gen. Yu Han-mou, Sir Andrew, Gen. Huang Mu-sung, Kwangtung Chairman; Herbert Phillips, British Consul-General at Canton.

high Government officials and military leaders. *Reuter* says his visit is regarded as a token of the increased friendship between China and Britain and is expected to mark a step forward towards further co-operation between the Colony and Canton.

Among Chinese and British officials who turned out to greet Sir Andrew and Lady Caldecott at Canton were General Chien Ta-chun, Departmental Director of the Generalissimo's Headquarters at Chungking, Dr. Philip Tyau, Commissioner of Foreign Affairs for Kwangtung and Kwangsi, and Herbert Philips, British Consul-General in Canton.

An occasion unique in the history of South China was witnessed in the evening of Sept. 18 when General Chiang Chiang Kai-shek landed in the British Concession of Shameen. The Generalissimo made the trip to attend a dinner given in his honor by Herbert Phillips, British Consul-General at Canton. Sir Andrew Caldecott was co-guest of honor with the Generalissimo. General Chiang was received at the jetty by an Indian Guard of Honor, greeted by the British Chief of Police and British Consular representatives, and escorted to the British Consulate with due ceremony. These meetings between the British and Chinese authorities, especially between Sir Andrew and General Chiang Kai-shek, are expected to inaugurate a new era of co-operation between Hongkong and Canton. Sir Andrew attended an informal luncheon given by General Yu Han-mou, Pacification Commissioner of Kwangtung. Apart from Sir Andrew, the guests included T. L. Soong, Finance Commissioner of Kwangtung, Dr. Philip Tyau, Foreign Commissioner of Kwangsi and Kwangtung, and Herbert Phillips, British Consul-General at Canton. A very impressive function, the luncheon was characterized by a spirit of great friendliness. Welcoming Sir Andrew to Canton, General Huang Mu-sung, Chairman of Kwangtung, expressed gratification for the Hongkong Governor's visit, which, he said, evidenced increased Sino-British friendship. General Huang also voiced the hope that future relations between Hongkong and Canton would be marked by closer co-operation. In reply, Sir Andrew thanked the Chinese leaders for their warm reception and generous hospitality.

The *Shanghai Nichi-Nichi* Sept. 18, commenting on the exchange of visits between Sir Andrew and General Chiang, said :—"England has endeavored to put into effect the plan of uniting the Hankow-Canton Railway and the Kowloon Railway, which will lead to the prosperity of Hongkong. The penetration of English capital into Central and South China will soon come to light. The meeting of these two leaders is worthy of attention."

Stimson Flays Sir John Simon's Policy in New Bock

Criticisms made by Colonel Henry Stimson (then U.S. Secretary of State) in his new book, "Far Eastern Crisis" of the attitude of Sir John Simon (then British Secretary of Foreign Affairs) at the time of the Japanese incursions into Manchuria and Shanghai created a sensation in England. Colonel Stimson relates his unsuccessful efforts to persuade Great Britain to join the United States in an active policy in China in 1932. He says he spoke three times to Sir John Simon over the transatlantic telephone, urging that Japan's action imperilled the whole world peace system and that international cooperation to prevent the success of her policy was vital. "I was finally convinced from his attitude," Colonel Stimson declares, "that the British Government was reluctant to join in such a demarche. I therefore, pressed no further." The author said he proposed to invoke the Nine-Power Treaty against Japan, and believes that the influence of the City of London was an obstacle to British action. He showed that America was willing not only to collaborate with the League but to act ahead. Colonel Stimson, however, pays a tribute to the value of subsequent British cooperation.

A London book critic was quoted by *Reuter* as saying that "All this story with dates and documents in judiciously cautious and courteous language, constitutes the most devastating criticism of British diplomacy that can ever have come from the foreign minister of a friendly power." The book is creating a stir in diplomatic and political circles in London for its frank appraisal of British diplomacy from the American point of view.

Yureneff Asks Tokyo's Aid in Railway Dispute

The good offices of the Japanese Government in preventing Hsinking from deducting claims against the Chinese Eastern (North Manchuria) Railway from the third installment of the price paid by Manchukuo for the Soviet share of the C.E.R., were requested Mr. Yureneff, Soviet Ambassador, during a call on Mr. Arita, Foreign Minister, in Tokyo Sept. 22. Mr. Arita suggested that Mr. Yureneff first approach the Manchukuo Government, before seeking Japan's intervention.

New British Ambassador Pays Official Calls on High Waichiaopu Officials

Sir Hughe Montgomery Knatchbull-Hugessen, the new British Ambassador to China, presented his credentials to Lin Sen, chairman of the National Government, Sept. 17. Gen. Chang Chun, Minister of Foreign Affairs, returned his call on Sir Hughe at the British Embassy Sept. 18.

Accompanied by Mr. Howe, Counsellor of Embassy, Sir Hughe Montgomery Knatchbull-Hugessen, the new British Ambassador to China, paid his official call on Gen. Chang Chun, Minister of Foreign Affairs, Sept. 18 when he presented the duplicate copy of his letter of credence. Later Sir Hughe called on Hsu Mo and Chen Chieh, Vice-ministers of Foreign Affairs.

Editorially extending its welcome to Sir Hughe Knatchbull-Hugessen, British Ambassador to China, upon his arrival in Nanking Sept. 17 the *Morning News* noted with satisfaction the amicable relations which have been existing between China and Great Britain during the last decade and paid a warm tribute to Sir Miles Lampson and Sir Alexander Cadogan, Sir Hughe's predecessors. In bringing about so close and a friendly tie, the paper asserted, Sir Miles and Sir Alexander had shown the world how Sino-foreign relations may be amicably readjusted.

Boatman Invents Kidnapping Story—Is Punished

A Russian boatman, P. Tezholoff, was arrested at Harbin, Sept. 14 for "misleading the authorities." He had reported to the police that some Chinese bandits had robbed him and kidnapped two of his passengers—English women. Detachments of soldiers and police were sent to the scene of the alleged incident, but no trace of the bandits could be found. Eventually, Tezholoff admitted that he had invented the whole story to account for the disappearance of his wife's winter coat, which he had pawned.

Puppet Emperor of Manchukuo Visits Kungtsuling

It is reported that the Puppet Emperor of Manchukuo, Pu-yi, proceeded to Kungtsuling by train Sept. 16, for the purpose of conducting an investigation of local political conditions and the the general livelihood of the inhabitants.

Japanese Plan Construction of Two Military Railways in North China

BY THE REVIEW'S TIENTSIN CORRESPONDENT

THE old saying that appetite comes with eating is proving true in respect to Japanese activities in North China, where their plans of "cooperation" in the economic development of that part of the country appear to be far greater than originally supposed; their railway plans, so far confined only to the construction of the Shihchiachwang-Tsangchow railway, it turns out, include not only the construction of this much discussed line, but also extending it further eastward to Taku to provide it with an independent outlet to the sea. Furthermore, the Japanese have completed plans to build another railway, hitherto unheard-of, across Chahar Province to connect Dolonor with an undisclosed point on the Peiping-Suiyuan Railway, in Suiyuan Province.

According to Japanese reports, the reason for the extension of the proposed Shihchiachwang-Tsangchow railway eastward to reach Taku, or the neighborhood of Tientsin is that, if it were to terminate at Tsangchow, as originally proposed, it would not be a paying proposition to bother about, for, in that case, its annual receipts would amount to only $5,000,000, against an expenditure of $4,800,000. On the other hand, if it will terminate at Taku, thus allowing direct freight service between Shansi and the seacoast, its receipts would amount to $8,000,000 against an expenditure of $3,500,000 in a year, it is said.

Therefore, in order to make the railway a paying proposition the Hsinchung (or Kochu) Kungssu and the Hopei-Chahar Political Council are reported to have come to an agreement to extend the Shihchiachwang-Tsangchow railway to Taku. One report even stated that, according to the new plan, the railway will not touch Tsangchow altogether, but will instead be laid down considerably to the north of that town, ultimately joining the Peiping-Mukden Railway at Taku or in the neighborhood of Tientsin.

To Tap Natural Resources of Shansi

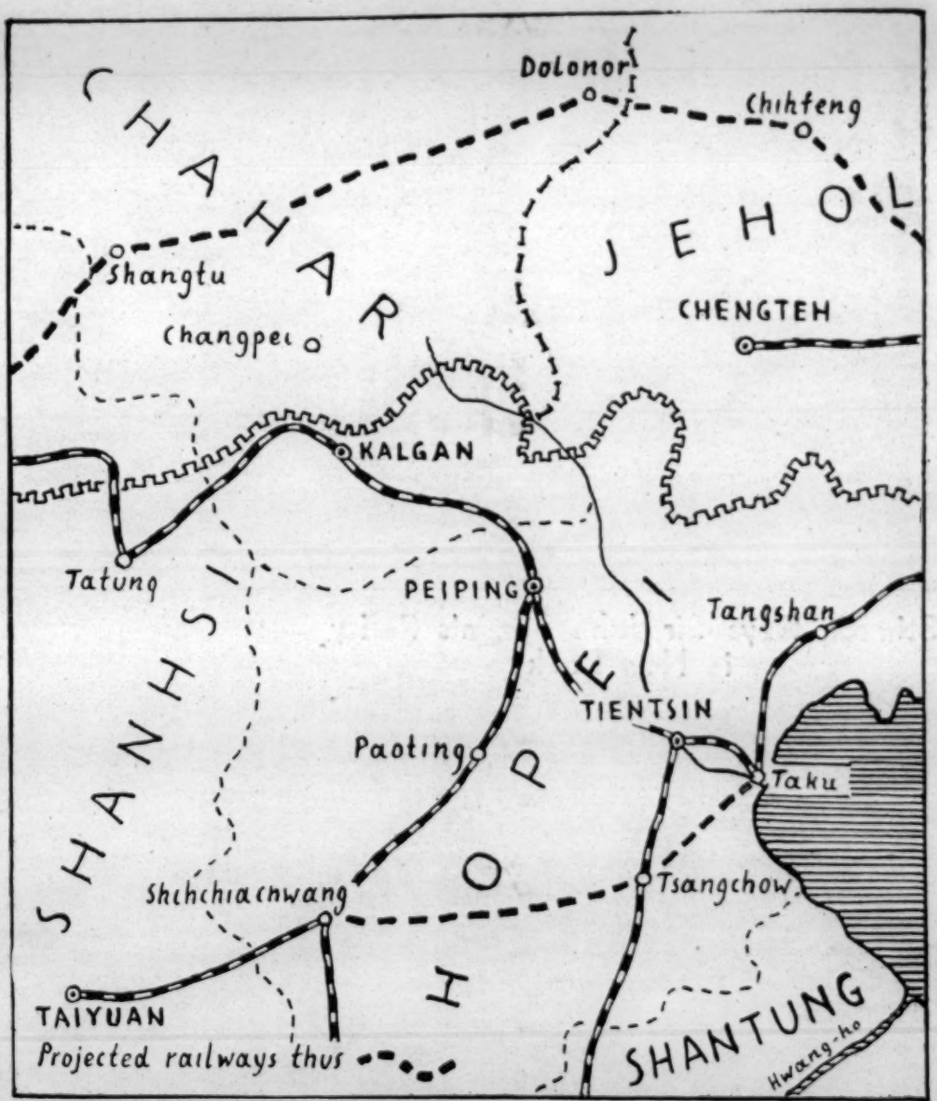
The new plan is said to be worked out not only with a view to tapping the natural resources of Shansi but also to assisting in the economic development of Hopei Province, specifically cotton cultivation, which is said to be hampered by the absence of rapid means of communication in the section to be traversed by the new railway. Terminating at Taku or in the neighborhood of Tientsin, the railway will serve as an outlet to the sea for Shansi, the coal deposits of which are the richest in the whole of China, being put at 120 billion tons, or about half of China's entire coal deposits. At present, the Shansi coal fields are operated only at Tatung, whereas other equally rich fields are lying idle due to bad roads as well as the absence of an outlet to the sea. The construction of a railway connecting the Taiyuan-Shihchiachwang Railway with Taku, on the Gulf of Pechili, therefore, solves this task at a stroke and opens Shansi Province and the territories beyond to Japanese exploitation.

There is no need to dwell at length on the military importance of the new railway; it provides the Japanese with a new and shorter road for rapid occupation, in case of an emergency, of territories to the north of the Yellow River. In that case, all these territories will be at the mercy of Japanese invasion, which may be carried out simultaneously from the two directions: from the north, the Peiping-Tientsin district, and the east, along the Shantung Railway, now under the Sino-Japanese control.

Apart from the Shihchiachwang-Tsangchow railway, the Japanese are completing plans to build a railway from Dolonor across central Chahar to Pingtichuan, in Suiyuan Province. Surveyors are reported to be already at work on the route of the proposed railway. Reporting these plans, the *United Press* in a dispatch from Peiping dated September 11 stated that the work cannot be completed until present plans of an occupation of eastern Suiyuan by the Chahar Mongol organizations has been successfully carried out. It further stated that the railway would first be built between Dolonor and Shangtu, on the Chahar-Suiyuan border, waiting a "suitable opportunity" to connect it with the Peiping-Suiyuan Railway, presumably at Pingtichuan.

This railway will be an extension to the one now under hurried construction in Jehol Province of Manchukuo, namely, from Chaoyang, on the Jehol Railway, to Chihfeng. From the latter place, it will be extended to Dolonor, the starting point of the proposed railway in Chahar Province. When completed, the line, extending from Chaoyang to Shangtu, will have the utmost military importance, its primary purpose being to encircle Outer Mongolia by rail from the east and south. Then, it will tighten political and economic relations between the Silingol Mongols, now under Prince Teh Wang and his puppet government, and Manchukuo. In the long run, it will facilitate the amalgamation of Teh Wang's "kingdom" with the puppet "empire," which under the present conditions appears to be inevitable.

Nothing is known about the terms under which the proposed line in Chahar Province is being laid out. Evidently, the Japanese are going on with this plan as *fait accompli*, without any previous arrangement with the Hopei-Chahar Political Council, perhaps only with the "consent" of Teh Wang, the head of a Mongolian



Map of Chahar, Jehol and North China, showing existing and projected railways. Line of proposed railway from Shihchiachwang through Tsangchow to Taku and also of the proposed railway across Chahar shown with a succession of heavy dashes.

puppet "State," now completely in the hands of his Japanese advisers, since the proposed railway is to cross his "domain."

Economic Life of Eastern Chahar Will Be Affected

The economic importance of the new railway seems to be not great, for the natural resources of Chahar Province lie dormant, except some iron and coal fields which are poorer in quality and extent than those in Shansi or Hopei, therefore they cannot be the object of immediate exploitation. The wealth of Inner Mongolia lies doubtless in its cattle-breeding, which supplies the entire Far East and countries beyond with live-stock, meat, pork, hides and skins, though due to natural calamities and other divers conditions the industry appears to be declining of late.

The completion of the line even up to Dolonor will have a tremendous effect on the entire economic life of eastern Chahar (the Silingol League), inasmuch as it will drain the cargoes, now routed via Kalgan and Tientsin, towards Chihfeng and Chaoyang, Jehol Province, thence to Chingchow, on the Peiping-Mukden Railway. In anticipation of this redirection of Inner Mongolian trade, the Japanese are hurriedly completing the construction of Hulutao Harbor, left undone by the Chinese administration of Manchuria. It will be recalled that the construction of this harbor by the Chinese was one of the principal causes of the Japanese occupation of Manchuria in 1931, inasmuch as it was feared—and quite rightly—that it might endanger the security of Dairen, their economic and military stronghold.

That the Inner Mongolian trade is on the verge of being diverted to Manchukuo may be judged from the fact that the South Manchuria Railway is opening a wool market in Chinfeng for attracting there the bulk of Mongolian wool, totalling two million pounds, to supply the wool requirements of Japan and Manchukuo. Hitherto, the bulk of wool from eastern Chahar used to be shipped to Kalgan and Tientsin; therefore with the establishment of a rival market in Jehol the trade of Kalgan and Tientsin will diminish to that extent.

Simultaneously with the opening of a wool market at Chihfeng, the South Manchurian Railway has completed a plan for improving sheepbreeding in Manchuria and Mongolia generally, the general purpose of it being to make Japan entirely self-sufficient in wool, in which Mongolian wool is to play by far the greatest role. They hope to accomplish this within the next thirty-five years, a period rather long to venture any reasonable opinion about, however.

Tientsin, September 19, 1936.

North China Salt Not to Be Sold to Other Countries Than Japan

The *Sin Wen Pao* states that it has been stipulated in the recent agreement signed with the Japanese that Chinese salt in Changlu is not to be sold to any other country than Japan..

Seventy thousand tons of salt will be exported from the Changlu salt district to Japan this year, as the result of an agreement signed between a Chinese company and a buying agency jointly organized by the Mitsubishi Company and the Iwai Company. The agreement has been approved by the Changlu Salt Inspectorate and the first shipments were to leave for Japan during this month. The agreement fixes the price per ton at $2.60, and for every ton exported a tax of $1 will be paid by the Japanese party to the agreement.

Export of Chinese Salt to Japan to Be Delayed

As the provisions of the agreement signed between the Chinese and Japanese salt companies for the export of salt to Japan are contradictory to the four principles laid down by the Ministry of Finance with regard to the export of salt, it is feared that actual export of salt will be considerably delayed, the *Central China Daily News* stated Sept. 18.

Salt Monopoly to Be Abolished in Near Future

The new Salt Law, promulgated by the National Government on May 30, 1931, will be enforced sometime before the end of the current year, in accordance with a resolution of the National Government. The Ministry of Finance is making active preparations in bringing the elaborate statute into actual operation. The main features of the new Salt Law are the abolition of the present complicated license system and the placing of salt on the same level as any other dutiable commodity. The law stipulates that duty on salt shall be collected but the place of production and its purchase and sale shall be free to all, subject to no monopoly.

Annual Subsidy of $1,500,000 to Be Paid to Kweichow

At the request of the people of Kweichow the Ministry of Finance has decided to abolish the surtax on salt in the province. As a result of negotiations with the Kweichow Provincial Government, the Ministry has decided to give a subsidy of $1,500,000 a year to Kweichow in addition to another subsidy of $100,000 monthly for educational development in the province.

Chinese Nation Observes September 18th "Silently and Bitterly"

BY C. Y. W. MENG 孟 昭 泳

FORMERLY, the observance of the Chinese "national humiliation days" usually took the form of holding huge meetings in different places; delivering of furious speeches by people of all classes; adoption of many "resolutons"; issuing of "circular telegrams," "manifestoes," etc., not only to the nation, but also to the world; marching of long processions in the streets; distributing and posting of "hand-bills" or "slogans," etc. These "unarmed Chinese corps," or the "demonstrators," fought many successful "wars" for China before, when they manifested before the world the genuine Chinese public opinion and Chinese resentment; and when they demonstrated before the powers that the Chinese national feeling is burning, and that the Chinese legitimate aspirations must be met.

But all these "patriotic activities" are no longer possible, as the National Government has issued a series of "Mandates" of "friendliness to the neighboring powers." Since then, all such activities are under prohibition. In spite of such government actions, however, on the occasion of observance of the national humiliation days, we could still see that all Chinese flags throughout the whole nation were put at half-mast throughout the whole day. Not only the people did so, but also the government offices also hoisted the flags at half-mast. But this year, to the surprise of all, there was not only no holding of meetings, etc., but also the Chinese flags were not put at half-mast, to observe September 18th—China's worst national humiliation day!

Chinese Flags Not Put at Half-Mast on September 18th!

In the morning of September 18, when we walk on the streets, we find that not a single shop has flown the Chinese flag at all. (The Chinese shops do not fly the national flags every day, only on occasion or upon special notification by the police.) The government offices which hoist the Chinese flag every day do not put them at half-mast. On inquiry, it was stated that "they are notified beforehand not to do so."

Furthermore, ordinarily, all amusement establishments are closed on the national humiliation days, but on September 18, 1936, all amusement establishments were open just as usual. Ordinarily, all Chinese broadcasting stations also suspend programs for the day, but this year, they went on as usual. *The Central Daily News*, in Nanking, the only official organ of the Kuomintang, in its issue of September 18, in an editorial, instead of making some comments on the national humiliation day, discussed some other subject instead. Some of the other papers appeared on the morning of September 18 with "blank pages" because articles devoted to the seizure of Manchuria had been "censored."

Obviously, in view of what had happened in Chengtu, where two Japanese were killed and another two injured; and in Pahhoi where one Japanese was murdered, the Government had to take all possible precautions to prevent any outbreak of further incidents. So the authorities prohibited not only the holding of meetings, etc., but also the putting of Chinese flags at half-mast on September 18—thus necessiting a "silent observance" of the national humiliation day. But another reason is that: Recently, another "Mandate" was issued on August 29, in which the Government reminded the people of the previous mandate emphasizing the importance of maintining friendly relations with foreign nations and at the same time prohibiting "hostile utterances and deeds" tending to stir up international ill-feelings. The Mandate pointed out that the occurring of the Chengtu Incident "was decidedly contrary to the National Government's wishes." So in order to prevent "hostile utterances and deeds," the observance of September 18 was not permitted to take place on a big scale, nor was the putting of Chinese flags at half-mast permitted.

Further, at present, both Nanking and Tokyo have claimed that Sino-Japanese relations have been "improved"(?), so it may be the policy of Nanking Government to allow the people to have no more outward incidents to interrupt the negotiations which have been going on. A dispatch from Paoting, now capital city of Hopei, tells us *inter alia* that "activities which impair friendly relations with the powers are being totally suppressed by the authorities." (*Shun Pao* Sept. 17). From which we can guess why the Chinese flags were not put at half-mast on September 18.

But in this connection, it is of considerable interest to note that a couple of days before September 18, Mr. Kawagoe, Japanese Ambassador to China, was reported to have already "drawn General Chang Chun's attention to the approach of the 5th anniversary of the Mukden Incident. and requested that adequate measures be taken to prevent any distuabances of an anti-Japanese character." General Chang was said to have replied that "all provincial authorities had been asked to take stringent precautions against anti-Japanese outbreaks." (*North China Daily News*, September 17).

Further, according to the reported Japan's "Eight Demands" to China for the settlement of Chengtu Incident, Japan demands: Thorough control of anti-Japanese movements; revision of anti-Japanese school books and extermination of anti-Japanese education; prohibition of anti-Japanese gatherings and dissolution of anti-Japanese organizations; holding Nanking Government responsible for the anti-Japanese activities of Kuomintang branches; opening of Consulate-General in Chengtu; apology; punishment of officials and compensation. Out of these "8 Demands," only the last four have to do with the Incident, while the first four deal with the total suppression of the alleged Chinese anti-Japanese activities. To Japan, obviously, the observance of September 18th and putting of Chinese flags at half-mast on national humitiation days are in reality anti-Japanese activities, which should be suppressed! So another guess is that the Chinese flags were not put at half-mast on September 18 due (possibly) to "Japanese pressure," though we have no way to obtain confirmation of this.

There is no doubt that we are in full sympathy with our authorities who are laboring under a most difficult position. But it is our opinion that to maintain friendly feelings with the powers in order to facilitate the negotiations is one thing; and to observe the national humiliation day in order to arouse the national feeling of the people is another. Both are necessary, and one should not be promoted at the expense of the other. In order to avoid further disturbances, the authorities may be justified to prohibit the holding of meetings, etc. But to put the national flags at half-mast to observe the occasion is in no way a disturbance. So it should be permitted as usual.

The Chinese Remember September 18 "By Heart"

At any rate, no matter what action the Government may take, the Chinese masses observe and remember September 18 as usual. We may cite a few instances to show what we have observed.

At noon on September 18, the writer of this article while walking on the road passed an old-style Chinese house—apparently the dwelling of some farmers. On the front of the doors there stood a horse-carriage, decorated with red cloth, apparently a wedding occasion. While standing by to watch what was going on inside the house, the writer heard gossip of a few people who said: "Why do they hold such happy occasion on such sad day! Today is the national humiliation day! We should weep, but not wed!" After cursing at the people inside, the people went away angry. In addition, the writer also knows that many people are not willing to hold any entertainment on September 18, because they consider this day a "most unfortunate day!"

Although this is only gossip, it nevertheless represents fairly well the Chinese opinion of the Day of September 18, when China mourns but not enjoys. Such is the Chinese public opinion and public psychology. Certainly, no Government could suppress them; and no Japanese "demands" or "pressure" could change them!

The 450,000,000 Chinese consider September 18 as the "worst national humiliation day" in Chinese history. China was already greatly humiliated by Japan in 1895 when she had to sign the Treaty of Shimonseki; and again, China was humilated when she had to sign the infamous "21 Demands" under duress, in 1915. But China is now again subjected to another worse humiliation when, not only the whole of Manchuria, but also Jehol, has been lost to Japan; and when the whole of North China is in imminent danger; and now Japan wants not only to wrest a portion of Chinese territory, but the whole of China. Even should the aggressor rectify her wrong, and stop the aggression, and return the occupied territory to China, it could hardly improve the Chinese feeling towards Japan, not to speak of Japan continuing with her aggression. There is no way to cool down the Chinese resentment, and the Chinese remember September 18 "by heart!"

The Chinese Observe September 18 "Silently"

Although all amusement establishments were opened as usual on September 18, the writer of this article purposely visited some of them, and found that there were very few people inside. It is materially different from ordinary days when after 5 o'clock, every amusement establishment is doing good business.

A despatch (*The Central Daily News*, Nanking, Sept. 19) from Hankow reported that "all amusement establishments in Hankow had 'voluntarily' closed for one day (September 18)." Another despatch (*Sin Kin Jeh Pao*, Sept. 19) from Tientsin reported that

"although class work goes on as usual, all students go on 'fast' 'voluntarily' for one day." By "voluntarily" was meant that the proprietors of the establishments, and the students, did so for no other reason, except dictated by their conscience. In face of our government actions, we the Chinese, observe the national humiliation day "silently" and "individually!"

"Never Forget September 18"

With exception of the *Central Daily News*, all other papers in the Capital had one editorial dealing with the national humiliation day of September 18. Under big headings, practically every paper in the Capital urged the Nation to "Never Forget September 18!"

In an editorial on "What Day Is Today?," the *Morning Post*, one of the leading papers in Nanking opined that "we should not only remember the humiliation of September 18 of five years ago, but we should know another humiliation far more serious than that of September 18, 1931, which will be a 'new humiliation' to China, liable to occur at any time," and concluded that "so long as our lost territory is not yet recovered, we should regard every day as September 18!"

In another editorial, the *Chung Kuo Jeh Pao*, after referring to the Mukden affair, advised Mr. Kawagoe that "to treat China as a people of an independent nation is a *sine qua non* for the readjustment of Sino-Japanese relations." "The occurrence of the such incidents as those at Chengtu and Pakhoi is the result of years of the Japanese aggression in China, which engender the Chinese resentment. While the incidents are to be regarded as local affairs and be settled in proper ways, Japan must wake up to rectify her wrong policy in China, and to restore the old Sino-Japanese feeling. Such is the proper way," said the paper.

In another editorial, the *Sin Kin Jeh Pao* suggested two steps to relieve the national crisis and to take back the lost territory; they are: (1) We should strengthen the political organization in our country by the efforts of the whole nation to prepare for the "general mobilization;" and (2) we should undergo more training, mentally as well as physically.

China observes this national humiliation day silently but bitterly; and China resolves to take this "strayed lamb" into China's fold in the not distinct future!

Nanking, September 19, 1936

America Creates European Squadron—Rear-Admiral Fairfield to Command

The creation of a temporary European squadron of the United States Navy was announced in Washington Sept. 16 by the Navy Department. The squadron will be commanded by Rear-Admiral Fairfield, and will consist of the light-cruiser *Raleigh* as the flagship, the destroyers *Hatfield* and *Kane*, and the Coast Guard cutter *Cayuga*.

The United States stood ready to reciprocate all attempts to limit armaments by mutual accord, declared Cordell Hull, U.S. Secretary of State, in a speech at the annual dinner of the Good Neighbor League in New York, Sept. 15. The American Government, he added, would welcome that achievement. The Secretary of State incidentally urged a revival in international trade. He declared that the "rebuilding of international trade offers a splendid opportunity for Governments to improve the conditions of their people and to assure that they have the necessary means of acquiring the essentials for well-being and raw materials for production."

U.S. Secretary of Commerce Roper Says American Business Is on Upgrade

Daniel C. Roper, the United States Secretary of Commerce, said at a meeting of press representatives in Washington Sept. 17, that he thought that business was entering one of the greatest eras of American history. "The experience of recent years," he added, "has prepared us for it by enabling us to think things through, and also may be able to show us how to prevent a boom in any particular segment of industry."

American Liberals Support Roosevelt

In a vigorous demonstration of the solidarity prevailing among the progressives of the nation, 118 national liberal leaders convened in Chicago, Sept. 11 and unanimously endorsed President Roosevelt for re-election in November.

President Roosevelt Sept. 11 told the assembled delegates to the World Power Conference in Washington that he believed that the administration's power policy would break the "vicious circle" in which electricity is expensive because it is not widely used, and is not widely used because it is expensive. Cheaper electricity will result from the execution of the Federal Government's policies, the President declared.

Roosevelt Excoriates Hearst for Malicious Articles

Articles in the Hearst papers intimating that President Roosevelt was receiving the support of "enemies of the American social system" at the polls, brought an emphatic statement from the White House Sept. 19 charging that "a certain notorious newspaper owner" was attempting to create the impression that the President received support from alien groups taking orders from abroad. "Such articles," the White House statement said, "are conceived in malice, born of political spite and are deliberately framed to give a false impression. The President does not want, and does not welcome, the vote or the support of any individual or group taking orders from alien sources."

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Yen 822,000,000 Sought by Japanese Army in Next Fiscal Year

Firing the opening gun in the annual budgetary battle between he Army and the Treasury, the Tokyo War Office Sept. 10 submitted o the Exchequer its budgetary estimates for the 1937-38 fiscal year reaching the record total of Yen 822,000,000, or Yen 314,000,000 above the figure for the current year. Of the huge amount, Yen 336,000,000 was earmarked for ordinary expenditures, Yen 166,000,000 for Manchurian expenses, and Yen 300,000,000 for the first-year expenditures of the Army's ambitious six-year plan to strengthen the nation's defenses at the cost of Yen 3,350,000,000. The Army General Staff originally demanded Yen 10,000,000,000 to carry out its plans. This figure was, however, drastically pared down after numerous conferences with Treasury officials. The new budget provides for the strengthening of the Army air branch, an increase in the forces stationed in Manchuria, replenishment of war materials and improvement of military equipment.

The demands of Japan's armed services amount to 47.5 per cent of the 1937-38 budgetary estimates, reaching a record total of Yen 3,350,000,000. The Army's requirements were submitted to the Treasury Sept 16.

The Navy is seeking Yen 770,500,000, of which amount Yen 340,000,000 is for new projects. Of the total estimates, Yen 1,861,000,000 is for ordinary expenditures and Yen 1,439,000,000 is for new enterprises.

"Epoch Making" Tax Plan Adopted by Tokyo Cabinet—Stock Market Tumbles

Outlines of a tax-reform plan, described by Finnace Minister Eiichi Baba as "epoch making", were sumbmitted to the Emperor Sept. 22 following its approval by the Cabinet earlier in the day. The new scheme, which provides for four new taxes and an increase in 15 others is designed to bring an increase of revenue of Yen 200,000,000 the first year it is applied and Yen 300,000,000 annually thereafter. A gasoline tax of 5 sen per gallon is included. Notable increases are the following: The corporate income tax, which will be boosted 80 percent; the individual income tax, will be raised an average of 30 percent after a readjustment of the present schedule.

Promptly reacting to the government's plan for taxation reform, the stock market in Tokyo broke along a wide front on the afternoon of Sept. 22. Leading issues dropped from one to six points.

Japan's Trade in September Shows Unfavorable Balance

Japan's exports through her major ports in the second ten-day period of the current month totalled Yen 70,931,000, while the imports reached Yen 71,771,000, the Tokyo Ministry of Finance announced Sept. 17. The total foreign trade for the period has thus reached Yen 142,702,000 and the unfavorable balance Yen 840,000. The total excess of imports over exports since last January has brought up to Yen 245,702,000 as a result.

Commercial negotiations which were resumed on Aug. 28 between Japanese and Australian officials in Canberra are deadlocked, reports received by the Gaimusho indicated Sept. 18. Kuramatsu Murai, Japanese Consul-General in Sydney, has, according to reports, submitted counter-proposals to Sir Henry Gullett, Minister for Trade and Customs, fully explaining Japan's stand on the present controversy regarding the Dominion's new prohibitive tariff.

Meanwhile, Japanese millers are complaining that Australian wheat flour has been flowing into Manchukuo in large quantities by way of Shanghai since the middle of last month, when the Hsinking Government issued an ordinance banning Australian wool and flour. The millers pointed out that the actual imports of wheat into Manchukuo from Shanghai and the contracts concluded for the past month have totalled about 500,000 bags, as against 43,000 bags in the first half of this year.

Yen 200,000 to Be Spent on Entertaining Brazilian Economic Mission

A Brazilian economic mission of twenty-nine persons arrived in Japan Sept. 19. The mission, which is returning the visit made to Brazil last year by a group of Japanese industrialists headed by Dr. Hirao, will be the guests of the nation until Oct. 10. A fund of Yen 200,000, raised partially by subscriptions from leading industrial and commercial firms, has been put at the disposal of a special entertainment committee.

Japan Increases Purchases of Brazilian Raw Cotton

A shipment now on its way to Japan brings the total of Brazilian cotton purchased by Japan this year and shipped from Santos and Pernambuco to 251,145 bales. This figure represents purchases 17 times as great as last year's, which were 14,624 bales.

Kanegafuchi Spinning Co. to Use Sungari Reed as Base for Rayon

According to an announcement in Osaka Sept. 16 by the Kanegafuchi Spinning Co., application has been made to the City of Harbin for the purchase of about 24 acres of municipal land for the erection of a processing plant, where reeds growing along the Sungari in North Manchuria will be pounded into pulp and liquefied into basic cellulose.

Gaimusho Starts South Seas Section

Further demonstrating Japan's growing interest in the South Seas, the Gaimusho this week formally inaugurated a section in the Bureau of European and Asiatic Affairs charged with the task of looking after the nation's interests in the southern regions. The new division, to be known as the Third Section of the Bureau, will concern itself with diplomatic affairs, Japanese emigration to the South Seas, and trade relations between Japan on the one hand and the Philippines, Australia, New Zealand, the Netherlands East Indies, French Indo-China, the Straits Settlements, and various minor islands governed by the United States, Great Britain, France and Portugal on the other.

Tokyo May Take Over Foreign Bonds of Power Firms

Decision to take over bonds floated abroad by Nippon's five largest electric power companies, when the latter are nationalized, was reached this week by the Ministers of Finance, Communications and Commerce and Industry.

New Act to Be Enforced in Japan Soon to "Control Thoughts"

Procurators attached to the seven appellate courts in Japan are completing their preparations to supervise "dangerous thinkers" in accordance with the Thought Offendet Protection and Surveillance Act, which comes into force on Nov. 1. Under this enactment supervisors appointed by the courts are to keep watch for two years over all offenders who have violated the Peace Maintenance Act, regardless of whether such offenders have served a sentence, have been placed on probation or have been granted a postponement of prosecution. During the two years an offender will be ordered to find a job, to become loyal to the "Japanese spirit" and to discard all Communistic ideas. It is estimated that more than 1,800 "thought" offenders will be placed under such supervision in the district which comes under the jurisdiction of the Osaka Appellate Court, and the total number so "supervised" throughout Japan will probably exceed 10,000.

War Ministry Wants Reform of Japanese Cabinet

The War Ministry is reported to be insisting on a reform of the Cabinet by a reduction of its number to six or seven. The Ministry also wants the inclusion of a minister without portfolio. It is understood that the Premier, Mr. Hirota, is opposed to these reforms, which he contends have no foundation in law.

Gaimusho Plans to Reshuffle Envoys

Domei states that a thoroughgoing reshuffle of Nipponese envoys abroad is being planned by Hachiro Arita, Foreign Minister. Mr. Arita has already decided to summon Iyemasa Tokugawa, Ambassador to Turkey, and Masaaki Hotta, Minister to Switzerland, both of whom are due to arrive in Kobe Oct. 12.

Sentences Imposed in Railway Scandal, But Stay of Execution Granted

Sentences ranging from two years to four months at hard labor were imposed by the Tokyo Supreme Court Sept. 19 on eight defendants in the so-called Private Railway Scandal. With the exception of the two principals, all were granted stays of execution. Dr. Heikichi Ogawa, former Minister of Railways, and his secretary, Toshibumi Kasuga, was sentenced to two years' penal servititude. All appellants were also directed to pay the fines imposed by the lower court.

Auto Production by Foreign Firms in Japan Limited to 21,830 a Year

Production in Japan of automobiles by foreign firms will be limited to 21,830 a year, the Ministry of Commerce and Industry announced Sept. 21. The quota of the Japan Ford Co. was set at 12,360 and that of the General Motors (Japan) Ltd. at 9,470. These two firms engage exclusively in the assembly of cars manufactured in the United States and in the British Empire.

26 Alleged Plotters Arrested in Tokyo

Twenty-six men, alleged by the police to be remnants of the "God-Sent Troops," reactionary terrorist group, were arrested in Tokyo Sept. 22 on charges of plotting a coup.

Eleven of the 64 in the original band were released from prison a year ago, the remainder, with the exception of five financial backers, were turned over to the Supreme Court for trial on charges of attempted rebellion.

Dr. John Earl Baker to Serve as C.I.F.R.C. Executive Secretary

The *Shanghai Evening Post* of Sept. 22 stated that Dr. John Earl Baker, formerly adviser to the Ministry of Finance in the Central Government, has accepted the invitation of the China International Famine Relief Commission to serve as its executive secretary for three years commencing on Jan. 1, 1937. Dr. Baker had previously served on the Commission as an executive member and also on the Yangtze Advisory Committee. Dr. Baker will replace Y. S. Djang, who has resigned his post after nearly 17 years service, his resignation being effective November 1.

Japanese Groups Actively Investigate Hopei Province

The *Shun Pao* (Sept. 17) stated that in the past few months, over 100 Japanese investigation groups have visited Hopei Province. These investigators have visited mostly Tsanghsien, Wanping, Chenting, Shihmeng, Tinghsien, Ankuo, and Kaoyang districts. Carrying cameras, they are taking pictures and surveying land in the various localities. Special attention is being paid by them to the cultivation of cotton and to highways and other communications. Representatives of the South Manchuria Railway Company investigated the railway workshop of the Peiping-Hankow Railway at Changhsientien and then proceeded to Chengchow, in order to examine closely the rails and sleepers of the entire line. Professors of the Tokyo Imperial University have visited various districts to investigate agricultural conditions.

In view of the presence of large numbers of Japanese and Korean investigators, the Hopei Provincial Government has invited two Japanese advisers, at a salary of $300 each per month, to assist the Chinese authorities to take care of the "tourists." Special officials are assigned to accompany them on their trips, so as to afford them all possible protection.

Hsin Chung Company Reports on Natural Resources in Chahar

The Hsin Chung Company, a subsidiary of the South Manchuria Railway Company, organized for the economic exploitation of North China, has completed its investigation of the natural resources of Chahar Province. According to the investigators, there are 95 coal deposits in North Chahar, besides gold, silver and other minerals. The company is planning mining operations.

S.M.R. Subsidiary Spends Millions to Develop North China

Approval is being obtained from the Hopei and Chahar Political Council for a loan of from $3,000,000 to $4,000,000 from the Hsingchung Kungshu, a subsidiary organ of the South Manchuria Railway, for the economic development of North China. Ma Yen-chung, Secretary-General of the City Government, declared in Tientsin Sept. 17. As soon as the loan is obtained, Mr. Ma said, it will be used for the expansion of the power plant in the First Special District of the Tientsin municipality.

Cotton Exchange to Be Organized in Tientsin

Leading Tientsin merchants are organizing a Cotton Exchange. The Exchange will have a capital of $500,000 and will be inaugurated on November 1, if present plans are adhered to.

Japanese to Spend $61,000 For Experimental Station in Tientsin

The agricultural experimental station organized by the Japanese Consulate-General near Nankai school will have an annual appropriation of $61,000. Six Japanese experts will arrive in November to work in the experimental station, according to Japanese reports.

Japanese Export Scrap Iron from North China

Large quantities of scrap iron have been collected in North China and exported to Japan by Japanese merchants lately. In an order to its inspectors, the Customs administration has instructed them to pay special attention to the export of scrap iron as it is barred from export by the Chinese authorities.

Negotiations Resumed for Evolving Factory Inspection Regulations for Shanghai

A *Reuter* message from Nanking Sept. 17 stated that the Chinese Foreign Office is in communication with the Embassies of Foreign Powers, requesting an early solution of the Shanghai Factory Inspection Controversy.

The *China Press* stated that, with a view to reconciling the stand taken by the Consular Body and the National Government on the factory inspection problem in the International Settlement, negotiations will again be started between Sterling Fessenden, Secretary-General of the Shanghai Municipal Council, and O. K. Yui, Secretary-General of the City Government of Greater Shanghai. Out of these negotiations, Mr. Fessenden and Mr. Yui hope to evolve a new pact which will be acceptable to both the foreign interests and the Chinese authorities.

In explaining its objection, the Consular Body in a letter to the Council explained, "The agreement purports to apply Chinese law to all factory interests in the Settlement regardless of nationality. That, in effect, means the partial abrogation of the treaty privileges of the nationals possessing extraterritoriality. . . ." This objection, which hit on the chief point on which the entire pact revolves, was responsible for dealing the death blow to the long negotiations and the hope for an early reform in the Settlement's industrial conditions. On the other hand, the Chinese authorities maintain that the point raised by the Consular Body is unacceptable, explaining that it is universally recognized that the consular jurisdiction cannot interfere with the exercise of the administrative power of the country.

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Chinese Cotton Mills in Shanghai to Reopen Because of Good Crop

As a result of the exceptionally good cotton crop this year, cotton mills in Shanghai and other parts of Chinese are preparing to increase their activity. The Heng Foong, Sun Sun and Tsung Hwa mills in Shanghai are ready to reopen, while the Kwai mill in Hankow has already begun work. The First Cotton Mill in Hankow and the Lee Chong Cotton Mill in the same city are endeavoring to raise capital in order to re-start activity. With the re-opening of these mills, an addition 1,500,000 spindles will be brought into operation, the *Shanghai Nichi-Nichi* Sept. 16 stated.

Hengfoong Cotton Mill to Be Operated by Chungmien Company

Because of its heavy debt obligations, the Fengfoong Cotton Mill in Yangtzepoo, will be taken over and operated by the Chungmien Company (China Cotton Trading Company). According to the arrangement, the Chungmien Company will take full responsibility, if the factory loses money. The *Central China Daily News* says that if the factory makes money, five per cent will be given to Nieh Lo-sen, owner of the factory, while the remaining 95 per cent will be distributed equally between the Chungmien Company and the Chekiang Industrial Bank, the two creditors of the factory.

Japanese Interests Acquire Another Tientsin Cotton Mill

The Chinese-owned Paocheng Cotton Mill, which was closed down last year, has been purchased by the Tai Foku Company of Osaka and will be reopened under the new Japanese management on Nov. 1. The mill has 27,000 spindless.

Japan Again Beats England in Cotton Cloth Exports

The *Yomiuri Shimbun* Sept. 13 stated that according to an investigation by the Export Cotton Yarn and Cloth Manufacturers' Association, Japan again defeated England in the amount of cotton cloth exports during the first half of this year, creating a margin of some 400,000,000 square yards.

Wheat Embargo Rejected by Ministry of Finance

The proposals submitted by business men in Shanghai that an embargo should be imposed on wheat was rejected by the Ministry of Finance Sept. 17.

Railway Plans to Be Changed to Meet Agricultural Needs

For the purpose of facilitating the transportation of agricultural products in Anhwei and Kiangsi, in particular Keemun tea from southern Anhwei, Wuyuan tea from northern Kiangsi and Kingtehchen porcelain from northern Kiangsi, the Ministry of Railways has decided to alter the plans for the Nanking-Chuchow Railway, now under construction. Instead of making Chuchow the terminus of the line, it will be extended from Sunkiapu, the present terminus of the Kiangnan Railway, southwards to Hweichow, southeastern Anhwei, and thence south-westwards to Kweiki, eastern Kiangsi, passing through the fertile districts of Kimen, Wuyuan and Kingtehchen.

Shanghai Financers Organize New Company for Trade With South Seas

For the development of Chinese trade with the South Sea Islands and Africa, leading Chinese financiers including Messrs. Lin Kong-hou, Hsu Hsin-lu, Wang Hsiao-lai, and Chien Hsin-tze are organizing a China United Trading Company.

Dr. H. H. Kung Elected Chairman of Board of Central Farm Bureau

At a meeting of the Board of Directors of the Central Farm Bureau Sept. 15 Dr. H. H. Kung was elected Chairman. It is reported that the formal inauguration of the Bureau will be held on Oct. 10.

Hunan and Kwangtung Provinces Agree on Economic Cooperation

For the promotion of the economic welfare of Hunan and Kwangtung, the authorities of the two provinces have come to an agreement for the mutual exchange of native goods. This agreement was a result of a visit to Canton by General Ho Chien, Chairman of the Hunan Provincial Government.

Chefoo Merchants Ask Reduction of Britain's Silk Import Duty

The Ministry of Industries Sept. 11 received a petition from a group of silk merchants in Chefoo asking that the British Government be approached for a reduction in import duty levied on Chinese silk.

Company Formed to Export Hunan Rice to Kwangtung

A company is to be jointly organized by the Hunan and Kwangtung Provincial Governments and the Ministry of Finance for the export of Hunan rice to Kwangtung. The company will have a capital of $5,000,000.

Shantung Pushes Plans for Exploitation of Gold Deposits

The Reconstruction Department of the Shantung Provincial Government has drawn up plans for the exploitation of gold deposits in the province, a special committee having been organized to take charge of the work, with Li Tseh-ching, member of the Shantung Provincial Government, as chairman. Reputed to be one of the few gold-producing provinces in China, Shantung had an output of 1,500 taels of the yellow metal in 1932 and 1933, according to an investigation by Dr. Weng Wen-hao, noted Chinese geologist and Secretary General of the Executive Yuan. Rich gold deposits have been discovered in various parts of southern Shantung, according to a recent *Central News Agency* message from Tsinan.

Chengchow-Sian Long Distance Telephone Line to Be Opened Oct. 10

After being under installation for several months, the Chengchow-Sian section of the Honan-Shensi long-distance telephone line has been completed. It will be thrown open to use on Oct. 10.

Shanghai's Huge Trade in Export of Sausage Casings

The casing (instestines used in sausage making) trade is discussed at length in the August issue of the *Chinese Economic Journal and Bulletin*, published at 406 Kiangse Road, Shanghai. Shanghai is today the leading Chinese port in the export of hog casings, while Tientsin leads as the export center for sheep and goat casings. Last year Shanghai exported $7,332,592 worth of pig intestines to more than 34 countries all over the world, including even Africa. In addition, Shanghai exported last year $1,799,076 worth of goat, sheep and other intestines. The tung oil trade is also comprehensively treated in the *Bulletin*.

Social Affairs Bureau Issues Decree Prohibiting Labor Strikes

In accordance with decisions reached at a joint meeting of the representatives of the various government organs in Shanghai, Sept. 7, a decree was formally issued by the Social Affairs Bureau prohibiting further action of the workers to declare strikes without first obtaining permission from the Bureau. The decree mentioned that co-operation between the employers and employees is absolutely essential at the present time when China's home industry is still lagging behind.

Income Tax Issues Are Explained by Experts at Reception to Press Representatives

In view of the imminent enforcement of the Income Tax scheduled for Oct. 1, the Central Party Publicity Department gave a special reception to press representatives Sept. 12 at Central Party Headquarters when various issues relating to the Tax were explained in detail.

In an address, Fang Chih, Assistant Director of the Central Party Publicity Department, said the Central authorities had decided to enforce the Income Tax as from Oct. 1. Tsou Lin, Vice-Minister of Finance, Kao Ping-fang, Director of the Revenue Department of the Ministry of Finance, and Tsui Wei-wu, Secretary in the Ministry explained the preparations made for the enforcement of the Tax. Mr. Tsui stressed that the income tax is comparatively a more equitable form of taxation than any other.

Important questions bearing on China's present financial and economic situation were discussed by Dr. H. H. Kung, Minister of Finance, in an interview in Shanghai Sept. 18. "Foreign nationals residing in China who have cultivated the habit of paying income tax in their homeland should abide by the decision of the Chinese Government in paying the new levy," declared Dr. Kung when commenting on the opposition recently voiced in certain foreign quarters against the imposition of the income tax. "The fact that they are enjoying the privileges accorded them by the Chinese Government during their sojourn here," continued Dr. Kung, "proves conclusively that they should pledge their full support to such legitimate direct tax."

Chinese banking circles in Shanghai have asked for the postponement of the date of the collection of the income tax on interest from deposits to Jan. 1. According to the original arrangements collection of tax on interest from bank deposits was scheduled to start on Oct. 1.

China's Income Tax Law Not Applicable to U.S. Citizens, Embassy Notifies

A *United Press* telegram from Nanking Sept. 22 stated that America considers the China income tax law not applicable to United States citizens. The American Embassy notified the Waichiaopu at Nanking Sept. 22 to said effect, after receiving instructions from Washington.

Supposedly Cured Opium Users Revert to Habit—Are Sent to Garrison Headquarters

More than a hundred opium addicts, who once more indulged in the habit after being cured, have been put under arrest by the Bureau of Public Safety during the past week and will be sent to the Woosung-Shanghai Garrison Headquarters for punishment, according to Tai Lieh-tseng, chief of the Opium Addict Registration Department of the Bureau.

First Trans-Pacific Passenger Plane Flight October 21

The U. S. Department of Commerce announced Sept. 21 that it had sanctioned the trans-Pacific passenger service of the Pan-American Airways, with the first passenger flight expected on Oct. 21. A letter from J. Carroll Cone, assistant director of the Bureau of Air Commerce, to Pan-American Lines, approved passenger service from Alameda, California, to Manila, Philippine Islands, via Honolulu, Midway, Wake and Guam, but did not mention Hongkong as a terminal.

$3,580,000 for Chiang Birthday Airplane Fund

Up to the Sept. 11 the total amount of donations received for the purchase of planes in celebration of the Fiftieth. Birthday of General Chiang Kai-shek is placed at $3,580,000 ,approximately as follows :—Kiangsu, $720,000; Hupeh, $300,000; Hunan, $100,-000; Kweichow, $100,000; Shensi, $100,000; Suiyuan, $12,000; Shanghai, $1,000,000; Kiangsi, $320,000; Honan, $50,000; Shansi, $100,000; Anhwei, $100,000; Kansu, $80,000; Chahar, $2,000; Nanking, $500,000.

A three-day drive for funds for the Chiang birthday airplane fund was commenced in Shanghai Sept. 25. The program envisaged the displaying of posters and the distribution of handbills from the sky from planes of the aviation companies and the Flying Club.

Overseas contributions to the airplane funds for General Chiang Kai-shek's 50th birthday anniversary are pouring in from all quarters of the world, according to information from the special committee handling the funds. From Malaya comes a report to the effect that already $1,000,000 have been raised among the Chinese overseas residents there and it is expected that they will contribute a total of some $2,250,000 before Oct. 29, the date of the Generalissimo's birthday.

Chiang Made Head of Aviation Reconstruction Organ

Gen. Chiang Kai-shek has been nominated President of the China Aviation Reconstruction Association and Dr. H. H. Kung, Minister of Finance, senior member of the Association's standing committee, it was announced at Nanking Sept. 15.

Japanese Aviation Board to Be Established

A *Reuter* message from Tokyo Sept. 17 stated that Japan will mobilize the best aviation brains of the country in an effort to build "the most efficient aircraft in the world" under a compromise plan for the development of civil flying worked out by the army and navy.- The plan provides for creation of an Aviation Board attached directly to the Cabinet as the first step toward the ultimate goal of an Air Ministry. The compromise plan is the outcome of a series of conferences in which mutual concessions are said to have been made by both the army and navy, and in which consideration was also give to the ideas of the Ministry of Communications.

Fast Passenger Plane Built in Japan for Manchurian Service

Elaborate ceremonies Sept. 17 marked the completion of a fast passenger airplane, built for the Manchuria Air Transport Company by the Nakajima Airplane Manufacturing Company. The plane, a low-winged monoplane, is capable of a maximum speed of 370 klms. an hour, and has a cruising speed of 320 klms. According to officials of the concern the craft weighs 4.5 tons, as compared with 8 tons of a Douglass D.C.-2 transport, and carries ten passengers. The American plane carries 16.

Youthful Japanese Plan Alameda to Tokyo Flight

A flight from Alameda (California) to Tokyo, either via Seattle and the Siberian coast, or with but one halt at Nome, Alaska, is being planned by Benny Chojin and John Takemoto, American-born Japanese.

Wang Ching-wei, Huang Fu Appointed State Councillors by C.E.C.

Upon the recommendation of the Central Political Council, the standing committee of the Central Executive Committee Sept. 15 appointed Wang Ching-wei, former president of the Executive Yuan, and Gen. Huang Fu, formerly chairman of the Peiping Political Readjustment Council, to the posts of State Councillors, to fill the positions left vacant by the deaths of Hu Han-min and Hsu Shao-ching.

Dr. Tan Shao-hun Appointed Chinese Minister to Mexico

Dr. Tan Shao-hun has been appointed Chinese Minister to Mexico. Dr. Tan has a degree of Ph.D. from Chicago University, is a professor at Shanghai University and a senior secretary of the Nanking Foreign office.

Chinese Ambassador Travels Aboard Warship to Vladivostock

Tsing Ting-fu, newly-appointed Chinese Ambassador to Russia, sailed from Shanghai Sept. 23 aboard a Chinese warship for Vladivostock en route to Moscow. It was the first time that a Chinese warship was scheduled to call at a Soviet port.

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Chinese and Japanese Observe Mukden Anniversary

Memorial services, lectures, meetings and film demonstrations were staged both in Japan and Manchuria on the occasion of the fifth anniversary of the taking of Mukden, Sept. 18, while the leading officials of the two Governments issued statements explaining the significance of the event and its repercussions.

Hsinking observed the fifth anniversary of the Mukden Incident (which led to the founding of Manchukuo) with parades, mass meetings and carnivals.

In an oral statement to the press, Premier Koki Hirota said that he was "deeply moved by the thought of the many officers and men who died in the Manchurian plains for the sake of the nation and the preservation of peace in the Orient. The new State has already gone through the stage of administrative organization, and is now moving towards the realization of a paradise, in which the ideas of the 'Kingly Way' are paramount."

Manchukuo's advance in the past five years was characterized by Mr. Hirota as "splendid," and he added that the spirits of the men who fell to found the new Empire would be consoled if they could see it.

"Manchukuo herself," he remarked, "apparently does not care much about the recognition." Messages received in Tokyo from Hsinking stated that Gen. Kenkichi Uyeda, Commander-in-Chief of the Kwantung Army and Ambassador to Manchukuo, had issued a statement instructing the Army and Japanese officials stationed in the new Empire to co-operate with the Concordia Society, Manchukuo's only political party.

Japanese Garrisons Stage Maneuvers in Northern Cities

The *Shanghai Mainichi* Sept. 18 commented :—"China nowadays is still a disorganized semi-colony with deeply rooted feudalism. As for her foreign policy, there has been diversity of opinions among the leaders and the people. In the midst of chaos and tumult, radical ideas, intensified with wild passions, have pervaded the general Chinese masses. On the other hand, fortunately for us, the Chinese National Government has done its utmost to prevent any unexpected events, which might break out on Sept. 18."

The fifth Anniversary of the Mukden Incident was marked by maneuvers staged by the Japanese garrisons in Peiping, Tientsin and Tangku.

Chinese Students Demonstrate Despite Govemment Prohibition

Despite the fact that the National Government had issued mandates ordering the populace not to demonstrate on the occasion of the fifth anniversary of the taking of Mukden (Sept. 18), the students in various parts of the country refused to allow their patriotism to be squelched and, either by parades, or the distribution of handbills or by other means showed a disposition to give vent to their feelings.

The authorities of the three Shanghai areas observed special precuations. Hardly anything out of the usual routine occurred in the French Concession or the International Settlement, but in the vicinity of the West Gate, which is under purely Chinese jurisdiction, over a thousand students of both sexes, laborers and adherents of the National Salvation Federation insisted on holding a demonstration. They were charged by the police with batons and the butt ends of rifles when, as was the case in many instances, they refused to disperse. A number of students, including girls, suffered scalps wounds in the melee.

No Demonstrations in Nanking or North China

A feature of the anniversary in the Shanghai area was the half-masting of the Chinese flag in many places except on Government buildings, where no flags were flown at all.

In Nanking, there were no demonstrations or memorial meetings. *Reuter* states that even places of amusement, which in previous years have been closed as a mark of mourning, remained open. *Reuter's* Tientsin correspondent had much the same story to tell. The anniversary passed off very quietly, but all Chinese theatres, cinemas and places of amusement were closed. Commemorative meetings were held in several Tientsin schools, but no demonstrations were permitted outside the school premises. The Peace Preservation Corps took extensive precautions to ensure order, posting detachments in all important centers throughout the city. Armored cars patrolled the streets.

The Tientsin local organization of the Chinese Communist Party, however, printed a lot of anti-Japanese leaflets, which were distributed by students. In Tangshan, about 500 Chinese mine workers held a commemoration meeting on the mine property.

At every school gate in Peiping armed soldiers kept guard to prevent anti-Japanese outbursts among the students. At the street-corners armed policemen were posted.

Tangpu Issues Call to Resistance

On the eve of the fifth anniversary of the seizure of Manchuria, the Nanking municipal Tangpu Sept. 17 issued a manifesto urging the Chinese people to follow the example of Germany by taking steps to recover lost territory, and the example of Turkey in taking action to save the nation from subjugation.

Shanghai Police Confiscate Anti-Japanese Handbills

Anti-Nipponese handbills were seized Sept. 17 by policemen attached to the Louza Station in Shanghai as they were about to be showered upon Nanking Road from the roof of the Sincere's Department Store. Anti-Japanese slogans were also discovered scribbled on the walls in the Yangtszepoo district. The contents of the slogans as related by the *Shanghai Mainichi* were : "In memory of Sept. 18, 1931, we have to take action to push forward the anti-Japanese movement" and "Down with Japanese imperialism."

"Do You Know The Significance of To-day ?"—Marshal Feng Yu-hsiang

"A War fought for the preservation and independence of the race is a holy war," declared Marshal Feng Yu-hsiang in a message to the nation on the occasion of the 5th anniversary of the Mukden Incident, Sept. 18.

"We are to-day in imminent danger of extermination as a race. Five years ago we suffered national humiliation, and day by day the menace to our national existence and livelihood grows more threatening.

"We do not regard other nations as our enemies nor do we covet others' territories, but we cannot fold our arms while our lands are invaded and our people enslaved. We desire peace and prosperity among all nations and above all equality of treatment.

"Our most urgent duty is to protect our sovereignty; to fight those who trample upon us and to remove our national humiliation. The annals of history teach us that such a sacred duty can only be accomplished by a fight unto death.

"In our own country we must remove all differences of political opinions that make for internal strife, thus strengthening our national will and gathering all available resources to resist any country that aims to destroy our liberty and our equality.

"By a great effort of national resolve of our four hundred and fifty million people, utilizing every second for the promotion of our national spirit and the organization of resistance with all the resources at the nation's command, we will effectively fight the aggressor nation. Our motto is 'Equality and Liberty for China.' Our War is a holy war."

Chinese Press Comment

The *Ta Kung Pao* commented Sept. 18 :—"Ever since the Mukden Incident, the Chinese people have never forgotten their fellow countrymen in the Four Northeastern Provinces and the present danger in North China. Whether or not the present Sino-Japanese dispute will be settled will rest entirely on the Japanese Government. As to Japan, she must realize the necessity of the success of China's reconstruction. While urging our own people to adopt a self-help and unification policy, we hope that the Japanese Government and its people will not overlook the fundamental demands of the Chinese, so that the present tension will not last for long or take a turn for the worse."

The *Sin Shih Kai* commented :—"The Mukden Incident was the beginning of a series of incidents in a definite scheme which deprived China of many provinces. Soon after the formation of the new puppet regime Manchukuo, Jehol was occupied, followed by a second puppet government in East Chahar under General Ying Yu-tang. A third puppet in the person of Prince Teh was established Mongolkuo. Even North China, with Peiping and Tientsin, is really under the grip of Japan though nominally Chinese sovereignty is still recogniezd. Sept. 18, five years ago, was a fateful day for our country when Japan blasted our hopes of peaceful and progressive development by her hateful methods of battleships and big guns.

"The fierce nationalism of Japan did not stop at that. Today even Kansu and Sinkiang have not escaped her covetous eyes. Her military forces in China have more than quadrupled. On the Ping-Tsin Railway alone, she has stationed approximately 50,000 troops. In the south, Fukien has come under her influence, and her naval maneuvers along the Fukien coast were calculated to strike fear into the hearts of the inhabitants and to increase the prestige of Japan.

"The Woosung Peace and the Taku Peace are standing evidence of our humiliations. Under the anti-Red Slogan, Japanese troops have penetrated freely into our territories. Japan has also the audacity to dictate terms to our methods of taxation in North China and is insisting on the so-called economic co-operation whereas the natural vent of our feelings is for a severe boycott."

The *Tung Shuh Wen Wan Hua* (Common Culture), Sept. 15 commented :—"September 18 is the most heart-breaking and sorrowful day for every one of the Chinese people. . . . The only way out is resistance."

A proclamation that severe punishment would be meted out to undesirable elements who seek to dusturb public peace and order was jointly issued Sept. 17 by the Hupeh provincial government and the Pacification Commissioner's Headquarters.

Soviets Warn That Russia Will Invade Foreign Territory if Menaced

In an enunciation of Soviet policy, the Commissar of War, Klim Voroshilov, Sept. 17 warned foreign nations that the Soviet Union would not hesitate to hurl its troops across the borders into foreign territory if menaced by outside attack. Speaking at Kiev, the Commissar said that Russia if attacked "will carry the war into enemy territory and leave a lesson never to wage war upon the Soviet Union." The declaration was viewed as significant in view of the previous assertions by Soviet leaders that Soviet policy contemplated no invasion of foreign territory.

Articles by the former Tsarist general, Rikoff, appearing in the French Nationalist newspaper *Le Jour* stated that the whole Soviet nation of 180 millions has at present only one aim, i.e., preparations for a coming world conflict, the idea of a future war dominating all political, social and cultural measures. From a technical point of view, Gen. Rilkoff considers Soviet Russia now already at the maximum of military development both on land and in the air and strenuous efforts are being made to make the navy equally formidable. Docks at Vladivostok are working day and night and those at Komsomolsk have launched 20 new submarines with a very long cruising range within a few months. At the same time, the naval bases, especially Kronstadt, which is perhaps equal in importance to Singapore, are being rapidly fortified. At Vladivostok, there are at present 800 military planes, 200 tanks, 60 submarines and fifteen cruisers, while the armament factories are working at full speed. The whole territory in the Far East is strewn with airdromes. Along the Soviet Russian eastern frontier, there are at present ten divisions of infantry, three motorized divisions, 900 air planes and 700 heavy tanks, all waiting for the signal that will start the world revolution, General Rikoff says in his articles.

"Tass" Denies Allegations That Stalin Is Seriously Ill

Recent German telegrams stating that Stalin is seriously ill were emphatically denied in *Tass* telegrams from Moscow at the beginning of the week.

Japanese Messages Allege Communist Factions in Russia Are in Open Conflict

A recent *Domei* message from Tokyo stated that following the execution of Zinoviev, Kamenev and 14 other alleged terrorists, the conflict between the various factions in the Soviet Government and the Communist Party has broken out into the open. Information received from various sources attest the serious situation which has arisen in the U.S.S.R. Zinoviev and the others were found guilty of maintaining connections with the German Nazis. But of the 16 who were executed 12 were Jews and two Armenians, only two being Slavs. This simple fact is proof in itself (said *Domei*) that the executed men could have had no connection with the anti-Semitics of the Nazi regime.

Soviets Extend Educational Facilities in Far East

A *Tass* message from Habarovsk calls attention to the fact that the network of schools in the Soviet Far-Eastern territory it steadfastly growing. As compared with 1934, the number of middle schools has increased from 356 to 498, while this year 58 more new schools are under construction. The total school enrollment in the territory will reach 386,600 in September, 1936, as against 256,000 in 1934. That gives an increase of 51 per cent in two years.

Leningrad Artists Portray Life of the Far East

A brigade of Leningrad artists is at present painting landscapes and preparing material for pictures of factories, collective farms and other enterprises in the Far East. About 75 pictures are to be painted from the sketches and drawings which will be made by the artists, and these will be exhibited in Leningrad and a number of districts in the Soviet maritime provinces.

Commercial Bank of China Buys in Ritz Establishment for $44,000

The establishment known as the Ritz in North Honan Road, originally designed as a splendid gambling palace, but which was never allowed to open (as a result of combined action by the Shanghai Foreign Municipality and the Chinese authorities) was sold at auction in the French Consular Court in Shanghai Sept. 21. The method of auction used dates back to the Napoleonic area, namely short candles lit, and final bids to be in before the flames were extinguished—in about a minute's time. Paul Premet, French lawyer, was in charge of the sale. The Commercial Bank of China bought the property for $44,000. Atkinson & Dallas, local estate agents, bid the property up to $43,000 and then retired. The establishment was originally built by Carlos Garcia, of Mexican origin. Garcia was later imprisoned in connection with a gambling establishment in the Foreign Settlement. The title deed was in the name of a French citizen. Garcia had borrowed $90,000 from the Commercial Bank, the debt with interest at present reaching about $130,000. This was the principal motive for the Commercial Bank to become the purchaser.

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In the United States Court for China

CARL HENRY SCHNEIDER,
Plaintiff,
vs.
NANNY M. SCHNEIDER,
Defendant.

Cause No. 4107
Civil No. 1986
ORDER OF PUBLICATION
Filed at Shanghai, China, September 3, 1936.
William T. Collins, Clerk
By Deputy Clerk

The object of this suit is an action for divorce

WHEREAS, plaintiff herein, by his attorneys, has this 3rd day of September, 1936, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 3rd day of September, 1936, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 3rd day of September, 1936, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor never has she resided therein, and that defendant's last known address was 480 Park Avenue, in the city of New York, U.S.A.

NOW, THEREFORE, it is this 3rd day of September, 1936, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, SHANGHAI, CHINA, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 26th day of September, 1936, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 3rd day of September, 1936.

MILTON J. HELMICK
Judge.

THE TANAKA MEMORIAL

Much debated secret document outlining Japan's imperial policy of conquest—supposedly presented to the Emperor of Japan by Permier Tanaka on July 25, 1927.

Although officially repudiated, Japan has nevertheless followed the Memorial's recommendations since 1931.

Preparing for War with U. S. A.?

The Tanaka Memorial should be read by all students of the Far Eastern Question. Send for a copy, the price is only 10-cents, with an additional 5-cents for postage.

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THE CHINA WEEKLY REVIEW
160 Avenue Edward VII
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Gen. Sung Cheh-Yuan Apologizes, Japanese Occupy Fengtai

A *United Press* telegram from Peiping Sept. 18 related that, following a dramatic scene of apology by Chinese to Japanese military authorities, troops of the Twenty-ninth Army under Gen. Sung Cheh-yuan were withdrawn Sept. 19 from Fengtai, important junction point on the Tientsin-Peiping Railway, where Japanese and Chinese armed forces came close to a clash the previous night. The Japanese troops, as a result of the incident, occupied Fengtai's public buildings, including the Bureau of Public Safety, but no fighting attended the occupation. Meanwhile, negotiations took place for the peaceable settlement of the incident, and a short time later the apology was tendered.

In the presence of the Chinese and Japanese armies, Col. Hsu Chao-lin, vice-commander of the Thirty-seventh Division, formally apologized to Col. Yasuya Mudaguchi, commandant of the Japanese Embassy Guard, and ordered the last Chinese troops in Fengtai to move one mile out of town before sun-down. He also agreed that all Chinese troops in the neighborhood of Fengtai would be withdrawn shortly. Meanwhile 120 soldiers of the Twenty-ninth army, who had been besieged by Japanese troops in the barracks and at Fengtai station, marched out to the drill-ground, where they faced 400 Japanese troops, drawn up at attention and their machine-guns in battle emplacement. Following the ceremony of apology, the Chinese soldiers marched out of town. The Japanese troops proceeded to occupy their barracks.

The *Kuo Min* account stated that Chinese and Japanese troops, numbering 100 each, had left their barracks for practice in the afternoon. When they met some Japanese troops on the road, both sides refused to yield the path to the other. Confronting each other threateningly, trouble was only averted when the soldiers were restrained by their respective officers. However, during practice subsequently, Lieut.-General Feng's men were suddenly surrounded by the Japanese troops who attempted to disarm them. One officer, Captain Sun Hsiang-ting, was actually kidnapped by the Japanese troops.

As a result of the clash two Chinese troops and one Chinese civilian were injured.

The *Domei* account stated that when the Chinese unit was passing by the Japanese detachment, the former attempted to push the Nipponese soldiers off the road. Simultaneously, several Chinese soldiers, walking at the head of the column, allegedly struck a Japanese hospital orderly.

Martial law was declared in Peiping at Sept. 18, 1 a.m., as a result of a clash between Japanese and Chinese troops in Fengtai.

According to an announcement made at Tientsin the same night by the headquarters of the Japanese Forces in North China which are Chinese soldiers at Fengtai allegedly had attacked the horse of a Japanese officer and a hospital orderly as the first Japanese battalion, quartered in the junction town, was returning from maneuvers.

Older Fengtai Incident Also Settled

Acceptance by the Chinese authorities Sept. 18 of four Japanese demands brought to a close an incident involving the stabbing of a Japanese at Fengtai by a Chinese military sentry on Aug. 22.

A Peiping message to the *Shanghai Nichi Nichi* gave the following terms of settlement: Punishment will be inflicted upon the Chief of the Battalion, to which the accused soldier belongs, while the accused will be subject to trial by court martial; General Sung Cheh-yuan will issue a Decree of Neighborly Friendliness to the whole of the 29 Route Army, urging them to maintain friendly relations with the Japanese Garrison Army so as to prevent the recurrence of incidents of the same nature as the Fengtai incident. A sum of $600 will be given to the Japanese victim for medical expenses.

New Canal System Planned for Hopei

An elaborate program, calling for the building of an intricate canal system in Hopei with the object of developing the interior districts of the province, has been worked out by the North China Conservancy Commission. Besides the construction of a canal to link Tientsin with Shihchachwang, the program also provides for the digging of water channels to connect the Grand Canal with various waterways in Hopei. Meanwhile plans for the thorough dredging of the Grand Canal have been completed by hydraulic engineers and will be put into execution as soon as funds are obtained from the National Economic Council.

Oriental Paper Manufacturing Co. to Have Plant in North China

Establishment of a factory in North China was decided upon at the inaugural meeting of the Yen 10,000,000 Oriental Paper Manufacturing Company in Kobe Sept. 21. The plant of the new concern will be located at a point between Tientsin and Taku and will have an annual production of 10,000,000 lbs. of paper. Reeds will be used in the production of paper.

Tientsin Customs Treats Cargo as Contraband Unless Duty Receipt Accompanies

The Tientsin Customs, in a circular order to the various branch Customs stations under its jurisdiction Sept. 16 instructed that any cargo for which no receipt showing payment of Customs duties is produced, should be detained as contraband, no matter whether it bears Customs certificates of inspection or not.

A *Reuter* message from Tientsin Sept. 22, stated that the activities of the newly-established Inspectorate for the collection of a consumption tax on smuggled goods in North China have been suspended on the orders of General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, pending the result of negotiations between Li Ching-hisen, counsellor of the Ministry of Finance in Nanking, and the Hopei-Chahar authorities. The object of the negotiations is to find a method of taxing goods already smuggled into the country without destroying the integrity of the national Customs administration.

Earlier apprehension that the integrity of the Customs Administration in North China is being violated by the establishment of the proposed "Inspectorate-General" by the Hopei-Chahar Political Council has been dispelled, as Dr. H. H. Kung, Minister of Finance, told the *Central News Agency* Sept. 16 that he had received a telegram from high authorities of Hopei and Chahar stating that the proposal was advanced by certain private quarters and that it has not been sanctioned by the Hopei-Chahar Political Council.

Li Tsin-hsien, envoy of the Ministry of Finance, arrived in Tientsin Sept. 16 to inspect smuggling conditions in North China.

Several Hundred Trucks of Contraband Leave Tientsin

Several hundred trucks carrying contraband successfully left Tientsin without being taxed Sept. 18. The smugglers drove past the Customs officers in large numbers.

Japanese Silver Smugglers Nabbed at Tientsin

The Chinese Customs authorities have detained $5,000 worth of silver at Tientsin which two Japanese subjects tried to smuggle out of the city Sept. 17. The silver was discovered on board the s.s. *Changping Maru*, which was scheduled to sail for Japan that morning. The two Japanese subjects were turned over to the Japanese authorities.

Warship "Yat Sen" Found Smuggling Sugar Into Amoy

A sensation was caused in Amoy Sept. 16 when a Chinese warship, the *Yat Sen*, arrived with a cargo of smuggled goods. According to information made available, the *Yat Sen* steamed into port from Canton and three of its launches were found to contain smuggled sugar. An evening paper at Amoy declared that the warship had undertaken transportation of the sugar by sea, while the Chin Kee Company was the responsible consignee. A member of the warship's crew named Wei Shu-kwong, who had been detained, was later turned over to the Chinese naval authorities. According to his statement, the three launches of the *Yat Sen* carried a total of 400 bags of sugar, each weighing 50 catties.

The *Yat Sen* was ordered by the Ministry of Navy to proceed to Nanking immediately. Three members of the ship's crew, Wei Shu-kwong, Nieh Yi-chong and King Li-chin, implicated in the smuggling, are locked up on board and will be tried.

Possibility of Renewed Anglo-Japanese Alliance Discussed by Chinese Journal

In an editorial welcoming the arrival of the new British Ambassador to China, Sir Hughe Montgomery Knatchbull-Hugesson, the *China Evening News*, in an editorial Sept. 26, discussed the posibilities of a renewal of the Anglo-Japanese alliance.

"As a result of the Ambassador's visit to Tokyo," the paper stated, "talk was started concerning the likelihood of a new alliance between Great Britian and Japan. But a reading of the interview which he gave to the press dispels all prospects of such a development.

"In point of fact," the editorial continued, "Great Britain really would like to arrive at an agreement with Japan in order to maintain her position, and her influence in China. There are many people in Britain, especially in the ranks of the Conservatives, who favor an understanding with Tokyo even at the cost of according recognition to Manchukuo. But there are too many antagonisms between the two countries. Australia and Egypt have raised their duties on Japanese imports. It is likely that India will follow their example. As an offset to Japan, Britain has even tried to compromise with the U.S.S.R. by means of the recently-concluded Anglo-Soviet Naval Pact and a loan to the Soviet of £10,000,000. These moves are revealing of Britain's preparations to offer opposition to Japanese aggressiveness."

Labor Official Urges Anglo-Japanese Alliance

The necessity of reviving the Anglo-Japanese alliance, "to save the world from destruction," was emphasized by Mitsu Kono, labor delegate to the International Labor Conference in Geneva, on his return to Kobe Sept. 16. Mr. Kono declared that "it is only Great Britain in Europe and Japan in the Far East that possess surplus resources." The other nations, he added, are engrossed in a struggle for existence.

In the United States Court for China

In re.
LAST WILL and TESTAMENT of NORMAN THORPE SAUNDERS, Deceased

Cause No. 4113
Special Proceedings No. 1992
NOTICE
Filed at Shanghai, China, September 11, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Norman Thorpe Saunders, deceased, to present the same with vouchers to the undersigned on or before March 19, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Mrs. Vesta Baldwin Saunders,
319 Route Ghisi,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re.
the MATTER OF THE ESTATE of WILLIAM PENN HUGHES, Deceased

Cause No. 4114
Special Proceedings No. 1993
NOTICE
Filed at Shanghai, China, September 11, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of William Penn Hughes, deceased, to present the same with vouchers to the undersigned on or before March 19, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Cornell S. Franklin, Admr.,
149 Yuen Ming Yuen Road,
Shanghai, China.

Shanghai, China.

Aloys Stey, Ex-Hospital Employee, Commits Suicide, Following Narcotic Charge

Aloys Stey, former chief accountant of the Paulun Hospital, French citizen, age 50, disappeared from his office on the morning of Feb. 18. The sequel was that he was found dying in a field on the outskirts of the French Concession on the night of Sept. 20, evidently a victim of poison-self-administered, He died shortly after being removed to the Russian Confraternity Hospital. He was discovered by a passing Chinese. Mr. Stey, apartment house and real estate owner in Shanghai, was wanted by the police of both the International Settlement and the French Concession for questioning in connection with the activities of the international dope ring uncovered with the arrest of Miss Marie Wen in San Francisco several weeks ago, and the subsequent suicide of N. Loffelholz-Brandsatter. Stey, an Alsatian with French papers, was alleged to have supplied 48 lb. of pure heroin which, it is asserted by the American authorities, Miss Wen attempted to smuggle into Los Angeles early last month. Although he had been the trusted superintendent, or inspector, of Paulun Hospital for a number of years, revelations pointing to his complicity in the daring narcotic scheme had led to his instant dismissal several days previously.

The *North China Daily News* stated that, meanwhile, the authorities are keeping an eye on other foreigners in Shanghai who are suspected of connection with local narcotic factories and the original source of supply. These suspects, one of whom died recently here, are not members of the former European ring of drug traffickers to which Naftali Loffelholz-Brandstatter and associates are said to have belonged. Most of the members of that organization, including Brandstatter, fled from Shanghai recently and Anton Paul Wirthmueller, said to be one of them is now somewhere in Central America, where the American authorities are keeping an eye on him. One of the men sought is stated to be a former American Army officer.

Maria Wen's Connection with Stey

Maria Wen (which is her real name, she having changed it later to Wendt) is stated to be soriously ill with influenza at Los Angeles at present. Maria met Stey in Shanghai several months ago and proceeded to the United States ostensibly to visit a cousin, Miss Constance Wen, who recently graduated from an American medical school and is now serving an interneship in a Los Angeles hospital. Maria was arrested upon her arrival in Los Angeles when 48 pounds of heroin were found in her trunks, and then escaped, only to be recaptured after a dramatic dash across the United States. She was rearrested as she was going aboard the German liner *Deutschland*. Constance was just on the point of returning to China when Maria was arrested.

Maria Wen is a member of a well-known Cantonese family in Shanghai and a nicee of Wen Tsung-yao, retired government official. Her father, Wen Lien-tien, who died about six years ago, was a wealthy Chinese merchant in Australia. Maria's mother is said to be a woman of German and Chinese parentage.

Chinese Woman Is Sentenced for Making Red Pills

Sung Soong-sz, woman, age 33, nabbed on Aug. 31 several days after a raid was staged on her quarters at 143 Sinza Road, was sentenced to 12 years and six months' imprisonment by the First Special District Court last week after she had been convicted of manufacturing red pills.

The Superintendent's Office of Opium-suppression for Shansi was formally established Sept. 16 with General Yen Hsi-shan, Director of the Taiyuan Pacification Headquarters, as Superintendent.

Under the auspices of the Hopei Provincial Government, a mass meeting was held in Paoting Sept. 15 to promote the movement for the complete suppression of the opium evil. The meeting was attended by several hundred officials and representatives of the various civic organizations.

How the Noulens Couple Spend Their Time in Kiangsu Model Prison

Central News says the Noulens couple, serving their life terms in the First Kiangsu Model Prison on charge of plotting against the Republic of China, are devoting most of their time in prison to the study of the Chinese language. Reading remains the passion with the Noulens, who often ask for a great variety of books of different European languages, but those which reach their hands, it was said, deal mainly with philosophy and written in the the English language. The warden and his subordinates know only English, and one of their duties is to approve of books sent for by the Noulens couple. "Dangerous thoughts," it is stated, are carefully kept away from them. It is stated that the Noulens have already adjusted their digestive system to Chinese food, but with money supplied them by an International Committee in Shanghai they can sometimes buy bread and jam, eggs and milk.

Both of them are exempt from manual labor of any kind, and like their cell mates they take time off for fresh air exercises every day, with the difference that they do not mix with the other prisoners.

Railway Ministry Aids in Development of Whampoa Deep Water Port

At a meeting held in Canton Sept. 15, the Kwangtung Provincial Government passed its budget estimates for the present fiscal year and decided to instruct Tseng Yang-pu, Mayor of Canton, to draft plans for the development of a deep-water port at Whampoa. The Ministry of Railways has appropriated $5,000,000 for the development of the port. The new Budget estimates of the Kwangtung Provincial Government for the 25th fiscal year (July, 1936-June, 1937) were approved at the 9th meeting of the Kwangtung Provincial Government Committee.

Mr. Tseng has been appointed Director of the Project for the Development of the Port of Whampoa, in succession to Dr. Lo Wen-kan, resigned.

Peiping to Float $3,000,000 Bond Issue; Tsingtao, $6,000,000

The Executive Yuan Sept. 15 adopted a recommendation of the Ministry of Finance for the flotation by the Peiping City Government of a $3,000,000 bond issue. The Executive Yuan also authorized the Tsingtao Municipal Government to issue $6,000,000 worth of reconstruction bonds.

$500,000 Silver Collected from Honan Province

About half a million dollars worth of silver, collected by the China and South Seas Bank the Continental Bank, the Kincheng Banking Corporation and the Yen Yeh Bank from Loyang, capital of Honan, was received this week in Shanghai. These silver stocks were collected in exchange for legal tender notes in Honan province.

Girl Students in Anhwei Start Fund to Help Redeem Tsinan-Tsingtao Railway

The *China Evening News* Sept. 8 stated that out of the total sum of Yen 40,000,000 needed for the redemption of the Tsinan-Tsingtao Railway, only Yen 10,000,000, representing the surplus earnings of the line, is available for this purpose. As the raising of a foreign loan to redeem the line is barred by the terms of the agreement, the Chinese government is expected to experience great difficulty in raising the necessary sum. In view of the importance of the matter, students of a girls' school in Anhwei collected contributions among themselves to be applied to the redemption fund.

$300,000 to Be Spent to Surface New Honan Highway

A sun of $300,000 is to be appropriated by the Honan Provincial Reconstruction Department for the surfacing of the newly completed Loyang-Tungkwan Highway.

Lecture in Wales Stresses Japanese Opium "Spear Head"

Charges that the "spear head of the Japanese invasion of China was the gaining of the control of supplies of opium and narcotics," were made by Professor B. E. Read, of the Lester Institute, Shanghai, at a luncheon of the Colwyn Bay Rotarian Club, at Colwyn Bay, North Wales, recently. Rotarians from all over England—from Durham to Torquad—were present. Professor Read asserted that 35 tons of opium had passed through North China last year. The flagrant trade in morphine also needed exposing, said Professor Read. While medical men could only obtain the morphine they needed under the most stringent regulations, one could walk into Chinese shops in the International Settlement of Shanghai and buy morphine by the pound.

"Education by Movie" Movement to Be Launched in November

Another stride towards the advancement of mass education in China will be made by the Ministry of Education next November when the long-heralded nation-wide education film movement will be launched. The purpose of the movement, as announced by the Educational Film Committee created by the ministry last August, is three-fold, namely, to supplement teaching in primary and secondary schools, impart common knowledge to the masses, and provide suitable recreation for the public by the showing of films of educational value.

A comprehensive program has been worked out by the committee. With an initial budget of $250,000 it calls for the division of the whole country into 120 districts to facilitate the distribution of films, opening of a two-month class for the training of movie operators, purchase and making of educational films, and purchased of projectors.

James Yen Proceeds to Szechwan to Assist in Promotion of Mass Education

In response to an invitation of General Liu Hsiang, Chairman of the Szechwan Provincial Government, Dr. James Y. C. Yen, Director of the National Association for the Advancement of Mass Education, proceeded to Chengtu this week to assist in the promotion of mass education in Szechwan.

Who's Who in China

Kao Ling-pai, consular official; born at Kiangyin, Kiangsu, 1900; was graduated from Peiyang University, Tientsin, 1922, with B.Sc. degree; appointed in 1926 confidential secretary in the Headquarters of the Nationalist Army, where he served directly under General Chiang Kai-shek, the Commander-in-Chief; during the Northern Punitive Expedition, he rendered valuable service to the Nationalist cause and particularly distinguished himself during the Tsinan Incident of 1928, when with some collegues he risked his life to remove the radio equipment from the Field Headquarters to a place of safety, thus restoring communication between Nanking and the Expeditionary Forces; in recognition of this service, General Chiang, upon his assumption of office as Chairman of the National Government in 1928, appointed him a senior secretary; during the war between Generals Han Fu-chu and Liu Cheng-nien in 1932, he rendered another outstanding service to the country in bringing about a peaceful and bloodless settlement of the incident; appointed in September, 1936 Consul-General to Singapore; address: c/o Ministry of Foreign Affairs, Nanking, or Chinese Consulate-General, Singapore, S.S.

高 凌 百
Kao Ling-pai

新任駐新嘉坡總領事高凌百，年三十六歲，江蘇省江陰縣人，國立北平洋大學畢業，曾任國民革命軍總司令部機要秘書，國民政府簡任秘書，十五年革命軍出師北伐，追隨蔣總司令，襄贊戎機，頗著功績，十七年五月北伐軍師出濟南，突遭慘案，敵鋭意斷絕北伐軍與南京之通信聯絡，所有電報無線電局所器材炸燬無餘，高氏激於義憤，罔顧危險，卒於鋒火連天，敵人監視之下，率同僚屬，將行營無線電機潛運至安全地帶，繼續工作，前後方通信始克維持，厥功甚偉，蔣總司令深器重之，嗣蔣總司令調主國民政府，氏亦相從充國府秘書，各方聯絡接洽，收效頗宏，廿一年秋山東韓劉啓釁，高氏奉命奔走幹旋和平，雙方停止戰爭，膠東得免於糜爛，高氏與有功焉。

British Professor Makes First Rail Trip from Europe to Canton

Lancelot Forster, Professor of Education at the University of Hongkong, arrived in the Colony, Sept. 14, having been the first traveler to make the journey from Europe to Canton entirely by rail. He made the trip in 20 days from London, traveling south of Hankow on the recently opened Canton-Hankow railway. Professor Forster is the author of several books, notably "The New Culture in China."

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In the United States Court for China

SYLVIA GREENE WYLIE, Plaintiff, vs. WILLIAM NAYLOR WYLIE, Defendant.	Cause No. 4116 Civil No. 1995 ORDER Filed at Shanghai, China, September 17, 1936. William T. Collins, Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 16th day of September, 1936, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 14th day of September, 1936, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 16th day of September, 1936, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since 1935, and that defendant's last known address was 254 King George Street, Annapolis, Md. U. S. A.

NOW, THEREFORE, it is this 17th day of September, 1936, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in THE CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 10th day of October, 1936, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 17th day of September, 1936.

MILTON J. HELMICK,
Judge.

Men and Events

Minoru Inamori, secretary of the Tokyo Finance Ministry, has been ordered to Shanghai to be stationed here as a liaison official in China.

D. V. Bogomoloff, Soviet Ambassador to China, was host at a luncheon party given at noon Sept. 18 at the Soviet Embassy in honor of leaders of various local circles.

Hsu Ku-cheng, State Councillor, died at his residence in Shanghai on the morning of Sept. 13. His remains were encoffined at a service held at the China Funeral Directors.

Construction work on the projected Hsuchow model prison with accomodation capacity for 1,000 inmates, started Sept. 17 and is expected to be completed in December.

Steps have been taken for pushing the sale of Hunan rice in Kwangtung following the recent conclusion of an economic co-operation agreement between the two provinces.

Ray Tenney, for many years in the U. S. Diplomatic Service in China and now a member of the Chinese Salt Gabelle, stationed in Changsha, is in Shanghai on vacation staying at the Shanghai Club.

Ground breaking ceremonies for the erection of a building to house the office of the Japanese Military Attache in Shanghai were held in the former Japanese Gardens on Dixwell Road in Shanghai Sept. 26.

More than two hundred delegates are expected to attend the 13th biennial conference of the Nurse Association of China which will be held at the Universaity of Nanking for one week from Sept. 30 to Oct. 7 next.

Thirty-nine new couples were married by Mayor Ma Chao-chun in the fifth municipal mass wedding in Nanking Sept. 16. The wedding ceremony was held at the Assembly Hall of the Officers' Moral Endeavor Association.

Japanese monks are destroying the old tombs at Takwanyuan in Amoy in order to build a Buddhist temple. The *China Times* says this action on the part of the Japanese monks has aroused great opposition among the Chinese populace.

The administration building for the housing of the various Departments of the Hupeh Provincial Government under one roof has been completed. The principal offices of the Government will be removed to the new building on Oct. 1.

Dr. Y. Y. Tsu, who recently returned to Shanghai from the Institute of Pacific Relations held in Yosemite National Park, spoke under the auspices of the International Friendship Committee, at the Navy Y.M.C.A., Shanghai, Sept. 22.

Miss Phoebe E. Wong of Shanghai will depart on the *President Taft* Sept. 26 for a holiday in Honolulu, where she will visit friends. Miss Wong expects to return to Shanghai in the early part of the next year, though she may visit California before returning home.

In pursuance of the instructions of the Central Government, the seat of the Committee for the Establishment of the Hsikang Provincial Administration will be removed from Ya-an (Yachow), western Szechuan, westwards to Kangting (Tatsienlu), eastern Hsikang.

Miss Chow Pao-chu, daughter of S. S. Chow, of the Ministry of Audit, and Yu Peng, son of Yu Yu-jen, President of the Control Yuan, were married in Shanghai Sept. 17. Tang Shao-yi, a former Premier of China, officiated at the ceremony, which took place at the New Asia Hotel.

Walter Bosshard, correspondent in the Far East for the German *Ullstein Press*, whose headquarters are in Peiping, departed last week on vacation to his home in Switzerland. He will also make a business trip to Berlin. Mr. Bosshard traveled home by way of South China and India.

Chaplain M. M. Witherspoon of the United States Fourth Marines is scheduled to depart from Shanghai for the United States Oct. 24, proceeding to the U.S. Naval Air Station at Pensacola, Florida. He will be replaced by Chaplain Franklin Roosevelt Hamilton who is coming here from the U. S. Naval training station in Newport, R. I.

Rescued by Government troops from red bandits who laid seige on their city for more than one month, the people of Ninghsien in southern Kansu are now facing starvation, a Lanchow message to the *Central News* states. Practically all the food supplies in the city were exhausted during the seige and people are dying every day in large numbers.

The sequel to the "fly in the soup case" at St. John's University which resulted in the death of a cook, had its sequel in the Nantao District Court Sept. 17 when Ho Chang-yung, a student of the school, was sentenced to three years and six months' in jail for the fatal assault. The other student, Li Kan, also charged on the same count, was found not guilty and released.

Miss Roberta Hodgson, of the Department of Political Science of the University of Georgia, at Athens, Ga., is at present at the College of Chinese Studies in Peiping. She is making a tour of the East, in the course of which she hopes to make contacts with Oriental institutions, enabling her to study conditions in China, and other countries, especially in educational and philanthropic groups.

The news was received in Shanghai this week of the death from heart failure in Moscow, at the age of 68, of Dr. Julius Tandler, a former visiting professor at the National Medical College of Shanghai. Dr. Tandler, who was professor of anatomy of the University of Vienna and formerly Minister of Public Health in the Austrian Government, had gone to Moscow at the invitation of the Soviet Government to organize a hospital scheme.

C. T. Chwang, who spent the last two years in England securing practical experience in electrical machinery, returned to Shanghai this week. He spent the last two years with the British Thomson and Houston Co., Ltd., Rugby, designing and testing various electrical machines, including rotary and motor converters. He is expected to be admitted to associate membership in the Institute of Eletcrical Engineers in November.

Glenn Babb, correspondent for the *Associated Press* in Tokyo, who is proceeding home on leave shortly, is expected in Shanghai shortly prior to sailing for the United States. Mr. Babb had previously been stationed in Shanghai and Peiping and covered the Japanese occupation of the Manchurian provinces in 1931-1932. Mrs. Babb and their children who are now in the United States, will return to Japan with Mr. Babb early next year.

Protesting against the dismissal of one of their fellow workers, the 700 conductors employed on the street cars of the International Settlement of Shanghai have presented nine demands to the management, including a demand for the reinstatement of a dismissed conductor, and a promise that workers discharged or leaving employment voluntarily are to receive one month's pay as retiring gratuity for each year's employment, or two months' gratuity for each two years' work in the company.

Admiral Murfin, Commander of the United States Far Eastern Fleet, arrived in Peiping Sept. 16 from Tientsin, accompanied by an entourage of over 20 high officers of the American Far East Navy. The Admiral is spending ten days in Peiping, leaving on Sept. 25 for Chinwangtao and a cruise along the China coast to inspect the various vessels of the American China fleet. Accompanied by Nelson T. Johnson American Ambassador, Admiral Murfin, called on General Chin Teh-chun, Mayor of Peiping.

Samuel Sokobin, U. S. Consul at Tsingtao, accompanied by Mrs. Sokobin and their daughter arrived in Shanghai for the purpose of enrolling Miss Sokobin in the American School. Mr. and Mrs. Sokobin are also taking advantage of the occasion to spend their vacation here, stopping at the Park hotel. Mr. Sokobin has served as vice-consul and consul at Shanghai, Nanking, Antung, Tientsin, Chungking, Swatow, Kalgan, Mukden, Harbin and Foochow and also for a time at Saltillo, Mexico. Upon his return to China in 1934 he was appointed Consul at Tsingtao.

The retrial of the Freda Zimnnerman and Morris Zimmerman divorce case was scheduled to commence at the 3rd Kiangsu High Court Sept. 21, but the "reconciliation" procedure (which China has adopted from the codes used in Continental Europe) took up the whole afternoon, but without result, so the case was remanded without date. Mr. Zimmerman charged his wife with having spent $300,000 in legal actions. On one occasion, Dr. F. Wilhelm and his associates, attorneys for Mrs. Zimmerman, threatened to leave the court room if the court did not stop Zimmerman's tirades.

The death occurred in Hongkong last week of Mrs. Darby, wife of Brigadier William Darby, of the Salvation Army. Mrs. Darby was on holiday at the time and died at the Matilda Hospital in the Colony. The late Mrs. Darby became an officer in the Salvation Army in 1907, as Capt. Jephcott. She was married in 1913, and came to China about 1920. Prior to 1930, she was working in North China, principally in Peking and Tientsin, and she came to Shanghai in July of that year. She and her husband remained in this city until June of this year.

Dr. Charles R. Shepherd, head of the Chung Mei Home in Berkeley California (devoted to orphaned and needy Chinese boys), the only institution of its kind in the United States, arrived in Shanghai on the *President Taft* last week. The institution of which he is the head was founded 13 years ago. Mr. Shepherd in an interview expressed the opinion it would be better for foreign-born Chinese to attend high school and college in China rather than elsewhere, since it would make their re-orientation easier. He is therefore trying to make arrangements to repatriate some of the orphaned Chinese youths in his institution across the Pacific.

An additional supply of radium was recently received by the Sino-Belgian Radium Institute in Shanghai, raising its available supply to one grain (value about U.S.$35,000). The Radium Institute has now available two modern machines of 200,000 volts for deep X-ray treatment one of the machines being fitted with two tubes. In addition there is available the usual apparatus generally found in physiotherapy institutes for radium-diagnosis, diathermy, electro-therapy, and hyperpyrexy. It is with this equipment that science is now fighting not only cancer but the various forms of tuberculosis (pulmonary excepted), skin diseases, rheumatism, goitre, and venereal diseases.

Five Cases Involving Raven Crash Taken Up at U. S. Court for China

Five cases involving the defunct Raven institutions were scheduled to be taken up at the U. S. Court for China Sept. 25, as follows: Frank Hough, liquidator of A.O.B.C. vs. Walter F. Raven; Frank Hough, liquidator of A.O.B.C. vs. Charles H. and Lillian S Raven; Frank Hough, liquidator of A.O.B.C., vs. Charles Raven; Frank Hough, liquidator of Raven Trust Co., vs. Charles H. Raven; and Frank Hough, liquidator of A.O.F.C., vs. Charles H. Raven. Dr. George Sellett, who succeeded to the post of liquidator, following the death of Frank Hough, is appearing in all these cases.

H. H. Kung Is Decorated by German Govt. Order of Red Cross, First Class

In a ceremony at the German Consulate-General in Shanghai, Sept. 19, the German Charge d'Affaires Dr. Fischer presented to Dr. H. H. Kung, Minister of Finance, the order of the Red Cross, 1st class with the star, which had been conferred upon him by the German Government. In their speeches both Dr. H. H. Kung and Dr. Fischer stressed the importance of mutual equality and reciprocity and expressed the hope for still closer economic relations between the two countries. After the ceremony, German Consul-General Kriebel gave a luncheon in honor of Dr. H. H. Kung and the German Charge d'Affaires.

On behalf of Dr. H. H. Kung, Minister of Finance, P. T. Chen gave a tiffin party at the Park Hotel Sept. 17 in honor of Herr Claus von Bohlen, the son of Baron von Bohlen, the president of the Krupp Steel Works in Germany.

Canadian Goodwill Trade Mission to Visit Orient

With the purpose of seeking to expand trade relations, a Canadian trade mission to the Orient is planning to leave Vancouver on January 19, 1937. The mission is under the auspices of the Canadian Chamber of Commerce, with the support of the Dominion Department of Trade and Commerce and the cooperation of the Canadian Manufacturers' Association. The mission contemplates visiting Honolulu, Shanghai, Nanking, Hong Kong, Canton, Saigon, Angkor, Bangkok, Singapore, Yokohama, Kobe and Nagasaki; possibly also Peiping, Mukden, Seoul and Tokyo.

Ousted Kwangtung Gamblers Flock to Macao

One of the results of the wholesale closing of gambling houses at Canton has been a continuous exodus of gamblers to Macao, under the Portuguese flag.

Central News says the dramatic change in the fate of Honnam and Sumchun, the Chinese chief gambling centers, has added a difficult social problem for the Kwangtung authorities to handle as the closing of legalized gambling has thrown more than 2,000 people out of employment, all of them having earned their living directly or indirectly from the gambling business. Not only the professional gamblers themselves, but also those who hitherto worked in the amusement houses, cafes, and restaurants in the gambling centers are affected.

Beginning from Oct. 3, a publicity week for the suppression of gambling will be inaugurated by the Kwangtung Gambling-suppression Commission throughout the country. The various Municipal and District Governments have been enjoined by the Provincial authorities to make preparations for the movement.

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CHINESE OPINIONS ON CURRENT EVENTS

(Translated from Chinese Periodicals)

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New Books of Interest in the Far East

As a Chinese Humorist Looks at Chinese Journalism

A History of the Press and Public Opinion in China, by Lin Yutang. Kelly and Walsh Limited, Shanghai, 1936, 279 pages. Published for China Institute of Pacific Relations.

Mr. Lin's book is divided into two parts plus the usual introduction. Part One of the book deals with such subjects as The Press in Ancient China, Ancient Ballads, Public Criticism and "Party Inquisitions" in Han, The Aftermath in Wei and Chin, Student Petitions in Sung; and Eunuchs, Censors and Tunglin Scholars in Ming. The topics in Part Two include the Beginnings of the Modern Press, Pre-Revolutionary Reform Press, The Republicans Period, Present-Day Journalism, Contemporary Periodical Literature and Censorship:

For a generally interesting book, a book giving the Western readers a glimpse of Chinese journalism Mr. Lin has performed a satifactory task. But it is not a product of painstaking research or original study, for much of the material, particularly in the second part of the book has been literally rehashed from the already-published sources, chiefly Ko Kung Chen's "History of Chinese Journalism" (in Chinese) and R. S. Britton's "Periodical Chinese Press 1809-1912," by far the most authoriative of the works as quoted by the author. But even findings in these two books are subject to revision, as deeper research is as it should be carried on. It is a disappointment, therefore, to those who have hoped for a more scholarly piece of work from Mr. Lin that the author did not take the time and trouble to re-check some of these findings.

In discussing the present-day Chinese press the author has taken some of the newspapers, especially the two largest Chinese papers, the *Shun Pao* and *Sin Wan Pao*, severely to task, but here he would do well to point out the whys and wherefores and also, perhaps, to suggest constructive remedies. Throughout the book Mr. Lin has committed the fault common to most if not all Chinese scholars and writers, namely the fault of being eager to opine rather than to present facts. After all for a book of the sort which Mr. Lin was commissioned to write it is facts and not Mr. Lin's opinions that should be of greater importance. Another impression one obtains in reading through Mr. Lin's book is the author's "struggle" to get enough material to pad out the volume so that it can justify a book of such a pretentious title—as "A History of the Press and Public Opinion in China," and the standing of such a famous writer.

But, for all that, it is a thoroughly readable book. Whatever may have been its failings from a technical standpoint or the standpoint of original scholarship they are amply made up, for the general reading public at least, by the breezy and light style which pervades the book and at which Mr. Lin is surely a superb adept.

Peiping, Sept. 18, 1936. HUBERT S. LIANG.

A Black Page in Human History

The Yellow Spot: The Extermination of the Jews in Germany, with an Introduction by the Bishop of Durham. Victor Gollancz, London.

The fate of the Jews in Germany has agitated the world with varying intensity since the advent of the Nazi regime in Germany. Hitler's assumption of power coincided with the first stories of Jewish persecution. It was reported in newspapers all over the world that Jews had been boycotted, driven from lifelong businesses, beaten by mobs, thrown into concentration camps and treated with every indignity the mind of man could devise, all in the name of so-called "race purity." Forced to take cognizance of an outraged world opinion reenforced by the tales of victims who had left their country, the German Government, although unable to deny the charges, was at pains to minimize the effect of such reports, explaining that the uprising against the Jews was spontaneous—a result of undue Jewish influence on German life. While attempting to soften public opinion, the National Socialist Government, on the other hand, officially instituted, encouraged and aided the persecution, issuing decrees depriving the Jew of citizenship and, in general, reducing him to the Ghetto of the Middle Ages.

The Yellow Spot is a documentary study of the position of the Jews from the advent of the Hitler regime to the present day. There is an exhaustive examination of German newspapers —in particular the campaign of the *Sturmer*, personal organ of Julius Streicher. On the face of it, this book is and must be a one-sided picture of the Nazi regime; but in light of recent utterances of Herr Hitler and his subordinates and the well-known fanaticism evidenced in "My Struggle," there is no reason to doubt the correctness of the information. There are hints that many Germans are not in favor of the treatment accorded the Jews, and it is to be regretted that

the matter was not gone into more fully, although possibly that is asking too much of the authors.

In detail, the book goes into the systematic elimination of the Jews from German life, economic, social, political, cultural and educational. Different sections deal with the explusion of Jewish employees from evey type of employment, forced sales of businesses, boycotts, loss of citizenship, closing of public places to the Jews, exclusion from hospitals, position of Jews in concentration camps and the campaign against so-called "race defilement." Illustrations and quotations from German newspapers are used throughout.

The book provides a record of what surely will be considered one of the black pages of human history.

September 15, 1936. D. D.

The Industrial Growth of Shanghai

The Growth and Industrialization of Shanghai, by D. K. Lieu. Shanghai: China Institute of Economic and Statistical Research.

The story of the industrial growth of Shanghai is related in this 472-page book, the author of which is the Director of the China Institute of Economic and Statistical Research. Although a work of this nature is naturally to a large extent statistical the author has made the meaning of the figures vivid by graphic description. The author expresses the opinion that the industrialization of China has received its greatest impetus from the development of foreign trade, which has created a demand for the products of foreign industries, notably cigarettes, matches, canned goods, cement, knitted hosiery, soap, tooth powder, leather and rubber shoes, etc. As applied to Shanghai particularly an important factor in industrialization has been the supply of cheap electric power. The railways also have contributed much to the development of industry, as they have extended the range over which the products can be sold.

After devoting a chapter to the development of trade in China generally, the author takes up his main subject, Shanghai. The first impetus to manufacturing here came from Li Hung-chang who in 1862 built an ammunition factory. Chinese industrial development is divided into seven periods, as follows: 1862-1877—Period of Ammunition Manufacturing; 1878-1894—Period of Commercial Commodities Manufacturing; 1895-1902—Period of Foreign Enterprise; 1903-1913—Period of Government Encouragement; 1914-1925—Period of Flourishing Private Enterprise; 1926-1933—Period of Co-operation between Government and People for Industrial Development; 1934-1936—Period of General Depression.

Mr. Lieu, discussing the salient features of Shanghai's industrialization, says that by 1933 there were 60,000 workers engaged in the cotton spinning industry, 30,000 in the silk reeling industry, 9,000 in the cotton weaving industry and 10,000 in the silk weaving industry. The value of cotton products was $120,000,000 and of the cotton weaving and silk weaving, each $20,000,000. Note is made of the fact that Shanghai industries are usually under-capitalized. After the promoters have bought the land and buildings, there is usually not enough capital left to pay fully for machinery, much less to meet current needs, so that heavy loans have to be made from banks, with the result that with the incidence of industrial depression, such as has characterized the last few years, the owners are not able to tide over the period of depression and are compelled to close down.

The yarn produced by Chinese cotton mills is generally of low count so that a larger quantity of yarn is produced in Shanghai per spindle than in England, America or Japan. Specific details to support this statement are contained in a table in the appendix.

The author has covered his subject with completeness. Chapters are devoted to the economic effects of industrialization and the social effects of such industrialization. Note is made of the fact that many of the male workers are drawn from the country. They leave their families behind and as a result of their constant association with female workers, with social sanctions largely removed, many promiscuous affairs result.

The appendices cover almost three hundred pages. Complete statistics are given of Shanghai industries, separately for the year 1931, for 1933, and for the period 1928-34. These are followed up with comparative statistics. The statistics on labor are exceptionally complete. Details of strikes and lockouts cover such matters as the nationality of the management, the subjects of the disputes, and the outcome of the strikes, etc. Economic and social statistics are also gone into in great detail. Charts at the end of the book give the following details: —Number of Chinese Factories in Shanghai, 1931 and 1933; Capitalization of Chinese Factories in Shanghai, 1931 and 1933; Number of Workers in Chinese Factories in Shanghai 1931 and 1933; Motive Power of Chinese Factories in Shanghai 1931 and 1933; Value of Output of Chinese Factories in Shanghai, 1931 and 1933; Number of Shanghai Factory Workers by Sex, 1933; Statistics Reflecting the Growth of Shanghai; Statistics Reflecting the Growth in Trade and Finance, Shanghai; and Statistics Reflecting the Growth of Shanghai Industries.

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By L. Forster Price, $3.00

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Japanese Confer With American and British Oil Interests in China

Representatives of Japanese oil interests arrived in Shanghai in the early part of September to investigate the oil market in China and to negotiate with British and American oil interests for the sale of oil in China.

The *Central China Daily News* Sept. 18 stated that it is believed that the Japanese oil interests are trying to come to an agreement with the British and American oil interests for cooperation in the Chinese market.

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AMOY	11.35	11.55	|	9.35	9.55	
SWATOW	12.55	13.15	|	8.15	8.35	
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Fri.	13.20	Arr.	Sian	Dep.	11.30	Sun.
	16.00	Arr.	Lanchow	Dep.	8.00	
	17.00	Arr.	Chengtu	Dep.	8.00	

Every						Every
Wedns.	8.00	Dep.	Chengtu	Arr.	16.30	Wedns.
&						&
Sat.	11.30	Arr.	Yunnanfu (Kunming)	Dep.	13.00	Sat.

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&						&
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2. Special flights to other places can be arranged by special agreement.

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September 23, 1936

Stock Exchange— Business Done:-

Total Volume: 1,550,000 Shares

1936 High	1936 Low	Div. $ per sh.	STOCKS	Last Sale Sept. 21	Last Sale Sept. 22
13⅞	9⅝	0.20	Adams Express	13⅛	13¼
137½	115⅝	4.00	American Can	125	125⅛
40⅝	29¼	0.80	Amer. Cyanamid "B"	33	33⅛
9⅝	6½	—	American & For. Power	6¾	6⅝
43¼	29⅝	—	American & Foreign Pwr. $7 pfd.	38	38
27⅝	18⅝	—	American Radiator	23	23
179⅜	149½	9.00	American Tel. & Tel.	175¼	175¼
103½	88⅜	5.00	American Tobacco "B"	100⅜	100⅝
27	19⅛	0.20	American Waterworks	25⅛	25
40⅜	28	0.50	Anaconda Copper	40	40
88	59	2.00	Atchison, T. & S. Fe	83¼	81⅝
54¼	26⅝	—	Auburn	32	33⅞
26¼	15⅞	—	Baltimore & Ohio	25⅝	25⅞
71⅜	45⅝	—	Bethlehem Steel	70⅝	70¼
30⅛	16⅞	—	Boeing Airplane Co.,	30	30⅛
16	10⅜	—	Canadian Pacific Railway	12⅝	12⅝
186	92½	—	Case, J. I.	157¼	156¼
50⅜	34	1.40	Chase National Bank	47¼	47¼
86	59	3.00	Chesapeake Corp.	82½	83½
69¾	51	2.80	Chesapeake & Ohio	68	68
124⅝	85½	7.25	Chrysler	115¼	116⅝
23⅜	14	0.40	Columbia Gas & Electric	20⅝	19⅞
24⅝	14¼	0.60	Coml. Solvents	15½	16⅛
5½	2¼	—	Commonwealth & Southern (ord.)	3⅝	3⅝
44¼	27¼	2.00	Consolidated Edison	42¼	42⅛
15¼	11½	0.60	Consolidated Oil	13⅝	13½
38⅛	28⅛	1.00	Continental Oil	30⅞	31½
82¼	64	3.00	Corn Products	71¾	71¼
79⅜	50⅝	—	Douglas Aircraft	77⅜	80
167⅜	133	3.60	Du Pont de Nemours	161⅝	162¼
27	15⅜	—	Electric Bond & Share	22⅝	22⅜
47⅜	34½	0.90	General Electric	46⅝	46½
43½	33⅜	1.80	General Foods	40¼	40½
72⅜	52⅞	2.00	General Motors	68⅜	69⅛
50	32½	1.00	General Railway Signal	45⅜	47¼
21⅜	12⅝	1.05	Gold Dust	14⅛	13⅝
31⅞	21⅜	—	Goodyear Tire & Rubber	24½	24⅝
76½	57	1.00	Humble Oil	63⅞	63⅝
61⅜	43¼	1.35	Internation Nickel	61⅜	62⅛
19¼	12⅛	—	International Tel. & Tel.	11¼	12⅛
49⅝	28¼	0.90	Kennecott	49	49½
62	48	2.00	Loew's Inc.	60⅜	59½
26½	21⅛	1.20	Lorillard	22½	22⅜
103	79	1.00	Monsanto Chemical	99½	97½
50¼	35⅜	0.60	Montgomery Ward	50¼	49¾
45⅜	31	1.00	National City Bank	42⅛	42⅛
28⅛	21	1.20	National Dairy Prods.	26½	26
33⅜	25⅝	2.00	National Distillers	30	30¾
14⅞	9⅝	0.60	National Power & Lt.	12	11⅞
45⅞	27¾	—	New York Central	45⅝	45⅞
36⅜	23½	1.00	North American	32	32
41	30⅜	1.50	Pacific Gas & Electric	38½	37
58⅜	47⅝	2.40	Pacific Lighting	52¼	52¼
13	6⅞	0.25	Packard Motors	12½	12⅛
40¼	28⅛	1.00	Pennsylvania Railroad	39¾	39⅞
49⅝	38½	1.00	Phillips Petroleum	40⅝	43
49⅛	39	2.40	Public Serv. of N. J.	45	45
14¼	9¾	—	Radio Corporation of Amer.	10⅞	10¾
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52	37⅝	0.75	Schenley	50½	50⅛
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17	12½	0.60	Socony-Vacuum	14	14
32½	25	1.50	Southern California Edison	31⅝	31⅞
44	23½	—	Southern Pacific	43⅝	44⅝
18	14⅝	0.80	Standard Brands	15½	15⅝
9⅞	5⅛	—	Standard Gas & Electric	8¼	8¼
70	51⅛	1.00	Standard Oil Co. of N. J.	62⅛	62⅛
74	65	3.80	Sterling Products	72½	72¾
38⅞	33	2.00	Texas Gulf Sulphur	37½	35⅛
14⅝	11	0.30	Transamerica	13⅝	13⅝
99⅛	71⅝	3.00	Union Carbide & Carbon	96½	97½
119⅝	108½	6.00	Union Pacific	138½	139
32⅝	20⅝	—	United Aircraft (New)	26⅛	26¼
21	13	—	United Airline Trans.	17	17⅛
9¼	5⅜	—	United Corporation	7⅞	7½
19½	14⅝	1.00	United Gas Improvement	15⅞	15⅝
59	31½	—	U.S. Indus. Alcohol	34⅞	34½
35	16⅜	—	U. S Rubber	30⅜	32¼
73⅛	46⅜	—	U. S. Steel	71⅞	71⅞
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